



The One Year Action Plan FY 2014-15



Coleman Street Apartments
Affordable Rental Development

The One Year Action Plan is submitted to the Department of Housing and Urban Development (HUD) annually describing anticipated Community Development Block Grant (CDBG), HOME, and Emergency Solutions Grant (ESG) activities and expenditures for the ensuing fiscal year and how the activities relate to meeting objectives stated in the Five-Year Consolidated Plan. The Action Plan serves as Raleigh's annual grant application to HUD for participation in the CDBG, HOME, and ESG programs and serves as a budget for expenditures in the forthcoming year.



City of Raleigh, North Carolina
Prepared by the Community Development Department

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2014-15 ACTION PLAN EXECUTIVE SUMMARY

PURPOSE

The Action Plan is a requirement of the Department of Housing and Urban Development (HUD) as a condition of receiving funding under certain federal programs. The goal of the Plan is to extend and strengthen partnerships among the public and private sector to provide decent housing, establish and maintain a suitable living environment, and expand economic opportunities.

BACKGROUND

One Year Action Plans are required for each of the five years of the Five Year Consolidated Plan. The Action Plan implements the strategies in the Consolidated Plan of addressing the housing needs of very low-, low-, and moderate-income citizens of Raleigh. The One Year Plan enables investors, nonprofit organizations, program administrators, elected officials, and concerned citizens to work with the City in the development of affordable housing and community development programs. This Action Plan covers July 1, 2014, through June 30, 2015. This is the fifth year of the City's 2010-2015 Consolidated Plan.

The Action Plan describes the City's plans for the expenditure of federal housing dollars for the coming fiscal year. It spells out activities of three (3) formula grants: Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG). The Action Plan includes neighborhood revitalization activities funded with CDBG funds and local initiatives supported with City funds. Economic development activities and special partnerships with nonprofits and private entities are also described in the plan.

In FY 2014-15, the City anticipates funding a housing program totaling approximately \$11,378,127, from federal and local resources. Programs that will continue to be funded include the Joint Venture Rental and Homeownership programs, Housing Rehabilitation for elderly and low-income owners, Second Mortgages for First-time homebuyers, Purchase of City-owned Housing for very low-income renters, and a job-training program. Neighborhood revitalization activities include acquisition of substandard housing, relocation of eligible households and businesses, demolition of dilapidated structures and development incentives such as infrastructure improvements to downtown housing sites.

Continuing implementation of the 2010-2015 Consolidated Plan includes affordable housing development, neighborhood revitalization and economic development to benefit the City of Raleigh's citizens. The housing program is designed to serve the housing needs of five major groups of its residents: very low-income renter households, homeless persons and families, elderly and persons with disabilities in need of supportive housing, low- and moderate-income homebuyers, and homeowners needing significant rehab assistance.

The Community Development Department continues to work closely with several other City Departments, including: Planning, Parks and Recreation, Engineering, Police, Administrative Services, Community Services, and Inspections, as well as outside agencies such as the Raleigh Housing Authority, Community Housing Development Organizations (CHDOs), and other nonprofit organizations, civic and church groups.

BRIEF OVERVIEW OF THE CDBG PROGRAM

The Community Development Block Grant (CDBG) Program is authorized under Title I of the Housing and Community Development Act of 1974, as amended.

Participating communities must certify that the projected uses of funds will carry out at least one of the national objectives. The three national objectives are:

- Benefit low- and moderate-income families,
- Aid in the prevention or elimination of slums and blight,
- Address urgent needs.

The primary objective of CDBG is **the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income**. Consistent with this primary objective, not less than 70 percent of CDBG funds received by the grantee shall be used to benefit persons of low- and moderate-income.

"Low- and moderate-income" (LMI), as defined by HUD, refers to households earning 80% or less of the area median income (AMI), adjusted for family size. A family of four in Raleigh earning no more than a total of \$60,650 (80% of AMI) in May 2014, for example, is considered to be moderate income, and eligible to receive benefits under the CDBG program (Raleigh's CDBG program targets households at 0 – 60% of AMI). Areas benefiting from CDBG-funded projects (water line, sidewalk, etc.) must be populated by households 51% of which must be LMI; with housing rehabilitation of single family houses, however, each CDBG-assisted house must be occupied by LMI persons. The following classes of people are presumed to be LMI: abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers. Facilities or activities designed to serve one or more of these groups are presumed to meet the LMI benefit requirement.

CDBG funds may also be used for the prevention or elimination of slums and blight, for example as part of a redevelopment project. CDBG funds may also be used to address urgent needs, such as following natural disasters, and activities designed to address them that have a particular urgency because the existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. At least 70% of all CDBG funds spent within three years, however, must meet the LMI benefit test. That is why Raleigh, like all CDBG grantees, steers nearly all of their funds to benefit low-income individuals or areas. The City will encourage historic preservation whenever possible.

BRIEF OVERVIEW OF THE HOME INVESTMENT PARTNERSHIP PROGRAM

The HOME Investment Partnerships (HOME) Program was created by the National Affordable Housing Act of 1990 to create local partnerships for providing decent affordable housing to lower-income households. It was intended that local participating jurisdictions work with nonprofit organizations and the private investment community to achieve this goal. Cities may use their HOME funds to help renters, new homebuyers, or existing homeowners.

The incomes of households receiving HOME assistance must not exceed 80 percent of the area median income. However, for rental housing and rental assistance, at least 90 percent of benefiting families must have incomes that are no more than 60 percent of the HUD-adjusted median family income for the area. In rental projects with five or more assisted units, at least 20% of the units must be occupied by families with incomes that do not exceed 50% of the HUD-adjusted median.

Cities receiving HOME funds are required to provide 15% of their HOME funds to Community Housing Development Organizations (CHDOs) for affordable housing development.

BRIEF OVERVIEW OF THE ESG PROGRAM

ESG was renamed the "Emergency Solutions Grant," signifying its shift to funding homeless prevention and re-housing, as well as emergency shelter. Designed as the first step in the Continuum of Care, the Emergency Solution Grants, formerly Emergency Shelter Grants Program, provides funds for emergency shelters — immediate alternatives to the street — as well as more prevention and re-housing programs—short- or medium term rental assistance, housing relocation or stabilization services such as housing search, mediation, or outreach to property owners, legal services, credit repair, security or utility deposits, utility payments, final month's rental assistance, and moving costs or other relocation or stabilization activities. These prevention activities are similar to those formerly funded under the Homelessness Prevention and Rapid Re-Housing Program (HPRP).

Prevention and re-housing activities can serve people who are homeless or at risk of homelessness, including people who have less than 30 percent of area median income and move frequently for economic reasons, live doubled up, are facing eviction, live in a hotel or motel, live in severely overcrowded housing, or an existing institution. Anybody considered homeless by other federal statutes can also be served with prevention or re-housing assistance.

At least 40 percent of ESG funds are dedicated to prevention and re-housing activities.

The ESG Program strives to help homeless individuals and families, and subpopulations within this group, such as victims of domestic violence, youth, people with mental illness, families with children, and veterans. ESG funds can also be used to aid people who are at imminent risk of becoming homeless due to eviction, foreclosure, or utility shutoff.

ESG funds are allocated based on the Community Development Block Grant (CDBG) formula, which measures community needs based on poverty levels, population, growth lag, overcrowding in housing, and the age of housing.

BRIEF OVERVIEW OF THE CITY OF RALEIGH BOND PROGRAM

In October 2011, Raleigh voters approved a \$16 million General Obligation Housing Bond. The First-time Homebuyers, Limited Repair, Forgivable Loan Rehabilitation, Rehabilitation and Purchase of Affordable Housing, Joint Venture Rental, Neighborhood Revitalization, and Homelessness Support Programs will continue. The City will continue to make every effort to obtain a wide variety of financial resources to maximize its housing program.

2014 INCOME LIMITS

2014 Area Median Income: \$75,800 for a family of four								
Family Size	1	2	3	4	5	6	7	8
% of Area Median Income								
10%	\$5,310	\$6,070	\$6,830	\$7,580	\$8,190	\$8,800	\$9,400	\$10,010
20%	\$10,620	\$12,140	\$13,660	\$15,160	\$16,380	\$17,600	\$18,800	\$20,020
30%	\$15,950	\$18,200	\$20,500	\$22,750	\$24,600	\$26,400	\$28,250	\$30,050
40%	\$21,240	\$24,280	\$27,320	\$30,320	\$32,760	\$35,200	\$37,600	\$40,040
50%	\$26,550	\$30,350	\$34,150	\$37,900	\$40,950	\$44,000	\$47,000	\$50,050
60%	\$31,860	\$36,420	\$40,980	\$45,480	\$49,140	\$52,800	\$56,400	\$60,060
65%	\$34,515	\$39,455	\$44,395	\$49,270	\$53,235	\$57,200	\$61,100	\$65,065
70%	\$37,170	\$42,490	\$47,810	\$53,060	\$57,330	\$61,600	\$65,800	\$70,070
80%	\$42,500	\$48,550	\$54,600	\$60,650	\$65,550	\$70,400	\$75,250	\$80,100
90%	\$47,790	\$54,630	\$61,470	\$68,220	\$73,710	\$79,200	\$84,600	\$90,090
100%	\$53,100	\$60,700	\$68,300	\$75,800	\$81,900	\$88,000	\$94,000	\$100,100

%AMI = percentage of area median income, adjusted for family size. 30% and below = extremely low-income, 31-50% = very low-income, 51-60% = low-income, and 61-80% = moderate income.



Water Garden Village Apartments
Affordable Rental Housing

RALEIGH'S HOUSING AND COMMUNITY DEVELOPMENT GUIDING PRINCIPLES

The City follows federal guidelines as well as a few fundamental principles in setting priorities, developing strategies, and evaluating and selecting specific projects for assistance using CDBG, HOME, ESG, and City funds. The City's Guiding Principles are:

- All Raleigh's residents deserve access to decent, affordable, safe, and sanitary housing.
- Affordable housing will be made available throughout the City of Raleigh.
- Raleigh's housing and community development programs will emphasize neighborhood revitalization to encourage neighborhood stability and preservation of existing housing stock.
- The City will maintain productive partnerships with the private sector (nonprofit, faith-based, and for-profit) and with County, regional, and state governments.



Poyner Spring Apartments
Affordable Senior Housing

SOURCES OF FUNDS

AVAILABLE RESOURCES

Raleigh uses a variety of federal and local resources to implement its ambitious housing program. The proposed FY 2014-15 Action Plan budget is estimated to be **\$11,378,127**, 51 percent of which comes from local funds. In addition to federal and local funds, other funds from both the public and private sectors are sought to leverage housing program investments. The City's ability to leverage these funds is an important component of the City's housing program.

Specific resources to implement this Action Plan will include Community Development Block Grant (CDBG) funds, Home Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), general revenues, local Bonds, support from nonprofits, private lending institutions, and private developers.

FUNDS FROM PREVIOUS YEARS

The City of Raleigh was awarded \$2,952,214 in Neighborhood Stabilization Program (NSP) funds from the North Carolina Department of Commerce Division of Community Assistance in a competitive grant in 2009. The goal of Raleigh's NSP was to stabilize targeted neighborhoods by acquiring foreclosed or abandoned properties and rehabilitate them or demolish and build new affordable housing. All NSP properties created affordable housing for LMMI households, with at least 30 percent of all NSP funds benefiting households at or below 50 percent of AMI. All program income earned through the sale of lots or rehabbed homes purchased with NSP funds will be reinvested in eligible NSP activities in the years ahead.

\$950,000 of additional NSP funds (*NSP3 funds, authorized by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010*) was awarded to Raleigh by the NC Department of Commerce in a competitive process to help make possible the new construction of an 18-unit apartment building for low and moderate income renters, constructed on a lot that formerly had blighted, foreclosed apartments on it. The 18 units are each approximately 915 square feet with 2-bedrooms, 1.5-baths, and are certified energy efficient.

PERFORMANCE MEASUREMENT

Performance measurement is a process for determining how effectively programs are meeting needs. That information is then used to improve performance and direct resources more accurately. Performance measurement can lead to more informed decisions about programs to better target limited resources. The performance measurement system the City will implement in this five year period will be through the Consolidated Annual Performance and Evaluation Report (CAPER). Each year, the City establishes expectations for each program (outputs). Each program will have measurable objectives in place to measure end benefit and determine program effectiveness.

The City's CAPER is based on the HUD Outcome Measurement System. This system includes Objectives, Outcome Measures, and Indicators. In the System, there are three overarching objectives and three categories of outcomes.

OBJECTIVES

Suitable Living Environment

In general, this objective relates to activities that are designed to benefit communities or groups of families by addressing issues in their living environment.

Decent Affordable Housing

The activities typically under this objective are designed to cover the wide range of housing that is possible under HOME and CDBG. The purpose of these programs is to meet individual family or community needs, rather than being part of a larger effort (captured under Suitable Living Environment).

Creating Economic Opportunities

The activities under this objective promote economic development, commercial revitalization, job training, or job creation.

OUTPUT INDICATORS

For each activity, the amount of money leveraged, the number of persons assisted, the number of jobs created or retained, and the number of units constructed or rehabilitated, as well as any other applicable indicators, will be reported.

OUTCOMES

Availability / Accessibility

This outcome category applies to activities that make services, infrastructure, housing, or shelter available or accessible to low-income people. In this category, accessibility refers not only to physical barriers, but also to making the basics of daily living available and accessible to low- and moderate-income people where they live.

Affordability

This outcome category applies to activities that increase affordability in a variety of ways in the lives of low- and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

Sustainability: Promoting Livable or Viable Communities

This outcome applies to projects where the activity or activities are aimed at improving a neighborhood of principally low- and moderate-income people through multiple activities, or by providing services that sustain communities or sections of communities.

Each activity funded through the City's Housing and Community Development programs will have performance measurement indicators. The indicators may change as programs evolve or more relevant indicators are found. Performance measurement will change as the City of Raleigh continues to improve its programs.

CD PROPOSED BUDGET

	CDBG	HOME	BOND	CITY *	ESG	TOTAL
Redevelopment/ Neighborhood Revitalization	\$ 786,855		\$ 200,000			\$ 986,855
Housing Rehab	\$ 141,000	\$ 689,402	\$ 300,000	\$ 5,000		\$ 1,135,402
Environmental/Site Planning/Prop. Maintenance	\$ 1,337,476			\$ 58,470		\$ 1,395,946
Public Services/ Neighborhood Enhancement	\$ 256,300			\$ 5,000		\$ 261,300
JV Rental Housing Production		\$ 693,000	\$1,900,000	\$ 15,000		\$ 2,608,000
Tornado Damage Repair						-
CHDO Housing		\$ 198,327				\$ 198,327
City Match Transfer Fund				\$ 245,268		\$ 245,268
Affordable Rental Housing Development			\$ 150,000	\$ 150,000		\$ 300,000
First Time Homeowner Loans			\$1,200,000	\$ 15,000		\$ 1,215,000
Economic Development Activities	\$ 76,000					\$ 76,000
Homelessness				\$ 50,000	\$ 217,085	\$ 267,085
Gen Staffing/Admin/Planning/ Program Delivery/ Ind Cost	\$1,031, 198	\$ 128,385		\$ 916,644		\$ 2,076,227
Loan Servicing & Debt Service	\$ 25,000	\$ 20,000	\$ 500,000	\$ 67,717		\$ 612,717
TOTAL	\$3,653,829	\$1,729,114	\$4,250,000	\$1,528,099	\$217,085	\$11,378,127

* Not shown above is an additional \$50,000 in City support for the Ten Year Plan to End Homelessness.

Program	Dollars	Description
Federal Programs		
CDBG Grant	\$2,690,753	Funds will be used for acquisition, assemblage, development, and disposition of real property, clearance, public facilities, capacity development, relocation, housing rehabilitation, economic development, planning, and program administration costs.
Program Income	\$963,076	
TOTAL CDBG	\$3,653,829	
HOME Funds	\$1,073,168	Used for homeowner rehabilitation, rental housing production, relocation, Community Housing Development Organizations (CHDO) activities, and program administration costs.
Program Income	\$655,946	
TOTAL HOME	\$1,729,114	
Emergency Solutions Grant	\$217,085	Funds will be used for activities to assist persons who are homeless
TOTAL ESG	\$217,085	
SUBTOTAL Federal Programs	\$5,600,028	
Local Programs		
City Capital Budget	\$4,250,000	First-time Homebuyers, Limited Repair, Joint Venture Program, Rehabilitation Program, Neighborhood Revitalization, Homelessness Plan Support
Other City Appropriations	\$1,528,099	Includes \$245,268 for HOME match
TOTAL City Funds	\$5,778,099	
GRAND TOTAL All Sources	\$11,378,127	

**FUNDING
SUMMARY
FISCAL
YEAR
2014-15**

PRIVATE RESOURCES

The City continually seeks other sources of funding to help carry out its housing programs. Outside sources of funding include mortgage revenue bonds from the North Carolina Housing Finance Agency; Federal tax credits and first mortgages from private lending institutions. Leveraging is especially important in the City's Joint Venture Rental and Citywide and OWNER Second Mortgage Programs. The Joint Venture Rental funding and the Second Mortgage Program usually leverages almost four times the City's funding. The City currently is participating with a number of lending institutions in the Second Mortgage Program.

The City also partners with private and nonprofit developers to develop affordable housing. The City offers incentives through land assemblage, favorable financing of City-owned land, and below market interest rate loans. By helping reduce the cost of development, both sales prices and rents can be maintained at levels that allow low- and moderate-income households to benefit.

In October 2011, City of Raleigh voters approved a \$16 million Affordable Housing Bond. The eligible uses of the Housing Bond are restricted to those adopted by Council in the Bond order. These uses are to provide and rehabilitate housing, multifamily and single family, within the corporate limits of Raleigh, principally for the benefit of persons of low- and moderate-income, including (a) the acquisition of land, (b) the construction or rehabilitation of housing or related improvements, including related public infrastructure, and (c) programs to provide loans and other financial assistance and to public and private providers of housing. For FY 2014-15, the First-time Homebuyers, Limited Repair, Forgivable Loan for Homeowner Rehabilitation, Rehabilitation and Purchase of Affordable Housing, Joint Venture Rental, Neighborhood Revitalization, and Homelessness Support Programs will be funded by previous years' funds. The City will continue to make every effort to obtain and solicit a wide variety of financial resources to maximize its housing program.

PROGRAM MATCH

The HOME and ESG Programs require a twenty-five percent match for program activities. HOME funds are matched with City local revenues, incorporated into the budget, and tracked in accordance with program guidelines and procedures. In addition, the City has utilized local revenues to rehabilitate property acquired with HOME and CDBG funds for its affordable housing rental program. In FY 2014-15, the required HOME match will be \$245,268. ESG match will be provided by the projects funded in the form of operation costs.

LOW- AND MODERATE-INCOME BENEFIT

100% of HOME and ESG funds and at least 80% of CDBG funds (excluding administration and planning) will be used to directly benefit individuals and families with household incomes below 80% of area median income. The majority of people benefiting will actually earn below 50% of area median income.

CITY OF RALEIGH ONE YEAR STRATEGIES

During FY 2014-15, City housing and Community Development Programs will be directed to the priorities and strategies contained in the *2010-2015 Five Year Consolidated Plan*.

PRIORITY HOUSING NEEDS

Priority housing needs have been established using a combination of staff research of the local housing market, CHAS housing tables, Census data, particularly the American Community Survey, and, through the Citizen Participation Plan process, comments gathered from housing providers, homeless providers, city and county staff, various local experts, and the general public.

There is no hierarchy of need within each priority level.

RALEIGH CONSOLIDATED PLAN 2010-2015 PRIORITY HOUSING NEEDS	
Priority Level ONE	<ul style="list-style-type: none"> • Very low-income renter households. • Homeless persons and families. • Elderly and persons with disabilities in need of supportive housing. • Low- and moderate-income homebuyers. • Homeowners needing significant rehab assistance.
Priority Level TWO	<ul style="list-style-type: none"> • Elderly rental, new construction. • Homeowners needing moderate rehab assistance.
Priority Level THREE	<ul style="list-style-type: none"> • Other households with special needs. • Support facilities / services for non-homeless facilities and persons.
Community Development Activities	<ul style="list-style-type: none"> • Continue creating redevelopment and in-fill housing opportunities to support neighborhood revitalization in low- and moderate-income areas.

SPECIFIC HOUSING & DEVELOPMENT STRATEGIES

1. Implement plans in low-income areas that promote neighborhood revitalization, consistent with Raleigh's 2030 Comprehensive Plan.

1.1. Acquire dilapidated properties in focus areas and relocate residents of such structures into standard equivalent housing of their choosing.

- 1.2. Demolish dilapidated housing units in focus areas either to infill with scattered units of new affordable housing or, where possible, assemble land for larger developments of new affordable housing construction.
- 1.3. Rehabilitate acquired historic structures to create new affordable homeownership opportunities.
- 1.4. Rehabilitate acquired, salvageable structures to create new affordable homeownership or rental opportunities.
- 2. Create affordable homeownership opportunities for low- and moderate-income households through new construction and rehabilitation.**
 - 2.1. Provide financial support to nonprofit and for-profit developers of affordable housing for developments that address Consolidated Plan priority housing needs, funding permitting.
 - 2.2. Explore ways to implement Action Items in the Housing Chapter of the *2030 Comprehensive Plan* that recommend creation of incentives for the development of affordable housing.
 - 2.3. Complete homeownership projects currently underway or in the pipeline, such as the State Street project.
- 3. Create affordable homeownership opportunities for low- and moderate-income households through the provision of direct homeownership assistance.**
 - 3.1. Provide a downpayment assistance program to assist low- and moderate-income homebuyers purchasing a home within Raleigh city limits.
 - 3.2. Provide a second mortgage program to assist homebuyers with household incomes beginning at 50% of Area Median Income (AMI) purchasing a home within Raleigh city limits.
 - 3.3. Support successful homebuyer and homeowner education programs, funding permitting for homebuyers / homeowners moving to or living within Raleigh city limits.
 - 3.4. Explore development and provision of foreclosure prevention training and mediation services for low- and moderate-income homeowners living within Raleigh city limits threatened with foreclosure.
- 4. Assist existing low- and moderate-income homeowners with home rehabilitation.**
 - 4.1. Provide a rehabilitation program that provides substantial home rehabilitation for low- and moderate-income homeowners citywide.
 - 4.2. Provide a rehabilitation program that provides moderate home rehabilitation for low- and moderate-income homeowners citywide.
 - 4.3. Provide an emergency repair program for low- and moderate-income homeowners when funding is available.
 - 4.4. Provide a program that educates low- and moderate-income homeowners on the importance of home maintenance to reduce future rehabilitation needs.

5. Encourage development of new affordable rental units that address Consolidated Plan priority housing needs.

- 5.1. Encourage high-quality, well-designed rental developments that address Consolidated Plan priority housing needs, including mixed-use and mixed-income developments.
- 5.2. Encourage small, scattered-site rental developments on in-fill lots where appropriate.
- 5.3. Encourage supportive housing developments for the elderly, persons with disabilities, and the homeless.
- 5.4. Complete affordable rental developments currently under construction and in the pipeline.

6. Create new affordable rental housing opportunities through rehabilitation of existing units.

- 6.1. Provide incentives to encourage rehabilitation of apartment communities affordable to low- and moderate-income renters.
- 6.2. Expand the City's existing stock of rental units for very-low income households by acquiring scattered-site rental units citywide that can be rehabilitated to offer additional below-market rental opportunities.

7. Maintain, and where necessary improve, relationships with the City of Raleigh's affordable housing partners to maximize productivity and efficiency in the production of affordable housing units that address Consolidated Plan priority housing needs.

- 7.1. Work with public sector partners to maximize leveraging and mutual support to encourage housing developments that address Consolidated Plan priority housing needs and revitalization activities in low-income neighborhoods.
- 7.2. Partner with the private sector, nonprofit and for-profit, to encourage housing developments that address Consolidated Plan priority housing needs and revitalization activities in low-income neighborhoods.
- 7.3. Promote City of Raleigh affordable housing and neighborhood revitalization activities at housing fairs, presentations at public meetings, Citizens Advisory Councils (CACs) meetings, inter-jurisdictional meetings, and other venues to showcase City housing programs.

PRIORITY HOMELESS NEEDS

Most homeless services in Wake County are located within the corporate limits of Raleigh. The main focus of Raleigh's efforts in this area will concentrate on homeless prevention and supporting the efforts of nonprofit and faith-based organizations engaged in providing permanent housing and supportive services for chronically homeless households.

Strategies Addressing Homelessness

1. Support implementation of the *Raleigh / Wake Ten-Year Plan to End and Prevent Homelessness*.

- 1.1. Provide Community Development staff to assist in the planning and implementation of the *Ten-Year Plan*.
 - 1.2. Explore ways to expand City support for rental housing in the Housing First Action Step of the *Ten-year Plan*, including the use of City-owned rental housing.
 - 1.3. Work with the Raleigh / Wake Partnership to End and Prevent Homelessness (The Partnership).
 - 1.4. Incorporate various Ten-Year Plan strategies and actions, where possible and appropriate, into Raleigh's Annual Action Plans.
- 2. Support organizations that provide services to the homeless.**
- 2.1. Assist nonprofits in the provision of transitional and emergency housing services for homeless persons and families.
 - 2.2. Foster linkages between affordable housing developments and supportive service providers.
 - 2.3. Provide a portion of HOME funds as match from the community to support HUD Super NOFA funding applications.
 - 2.4. Provide funding to nonprofit organizations through competitive grants to support programs providing services for homeless persons and families.
- 3. Support organizations that provide services preventing homelessness.**
- 3.1. Provide funding to nonprofit organizations through competitive grants to support creative programs that prevent homelessness.
 - 3.2. Support HUD-certified housing counseling agencies that assist homeowners threatened with foreclosure.
 - 3.3. Encourage the development of foreclosure prevention training programs for homeowners and homebuyers.
 - 3.4. Support emergency repair programs giving priority where the occupants are most at risk of becoming homeless.
- 4. Encourage the development of apartment communities affordable to very low-income residents.**
- 4.1. Acquire and rehabilitate rental properties to provide low-cost, standard housing affordable to low-income residents of Raleigh.
 - 4.2. Encourage the development of apartment communities affordable to very low-income residents that provide on-site support services.
 - 4.3. Encourage the implementation of Action Items in the Housing Chapter of *Planning Raleigh 2030* that promote the development of incentives or other creative means for increasing the supply of affordable housing units within the city limits of Raleigh.

PRIORITY FOR SPECIAL NEEDS HOUSING

Some people are able to live independently but, due to various physical or mental special needs, require supportive services to maintain their housing. The populations targeted by this Consolidated Plan include the elderly, persons with physical and/or mental disabilities, and persons with HIV/AIDS.

Special Needs Housing Strategy

1. Support institutions and organizations that provide housing and supportive services for special-needs populations.

- 1.1. Work with the Continuum of Care Collaborative, Raleigh/Wake Partnership to End and Prevent Homelessness, Wake County Supportive Housing, Wake County Housing and Community Revitalization, and nonprofit housing and social service providers to increase the supply of supportive housing units for special-needs populations within the city limits of Raleigh.

NON-HOUSING COMMUNITY DEVELOPMENT NEEDS

One of Raleigh's defining features has been its continuous growth. Even during the recent financial crisis, people continued moving to Raleigh, although at a slower pace than earlier in the decade. More rapid growth has resumed as the economy improves and job growth accelerates: Raleigh's *2030 Comprehensive Plan* projects population growth of 200,000 over the next twenty years. This growth, while welcome, creates various challenges to the environment, infrastructure, public services, and parks, in addition to upward pressure on the price of land and housing. The *2030 Comprehensive Plan* recognizes this challenge in the Housing Chapter where over half of the 37 Action Items address the challenge of providing an adequate supply of affordable and workforce housing. Raleigh voters, since 1990, have approved Affordable Housing Bond referendums totaling \$54 million, an important revenue stream for the production of affordable housing units and an indication of community concern for this issue. The City, through the Community Development Department, has invested its CDBG and HOME entitlements, as well Affordable Housing Bond and general revenue funds toward its low- and moderate-income households and areas. Although much of the assistance has traditionally been directed towards housing, Community Development recognizes that many other needs including jobs, social services, transportation, and recreation must also be addressed. Planning Raleigh 2030, the City's Capital Improvement Plan, budget documents, and various other area plans describe in some detail the non-housing community development needs, policies, strategies, and objectives. The strategies that follow will guide investment of CDBG funds.

Non-Housing Community Development Strategies

1. Encourage economic development and job creation in low-income areas.

- 1.1. Fund job skills training and counseling for unemployed and underemployed City residents.
- 1.2. Continue the use of mentoring programs for building construction and explore ways to expand the program to include rehabilitation for low- and moderate-income person.
- 1.3. Encourage the use of additional federal program resources to develop loan programs or investments for future economic development in low-income areas of the city.

2. Support the development of public facilities that serve low-income areas.

- 2.1. Provide recreational facilities in underserved low-income areas, funding permitting.

- 2.2. Support the rehabilitation of public facilities in low-income areas to improve public service delivery, funding permitting.
- 2.3. Promote interdepartmental collaboration to encourage the development of new, and the rehabilitation of outdated, public facilities that will serve residents of low-income areas.
3. **Improve the quality of the infrastructure in low-income areas to make it equal to the citywide standard.**
 - 3.1. Increase the number of standard sidewalks to enhance citizen safety, quality of life, and neighborhood revitalization in low-income areas.
 - 3.2. Address insufficiencies in water and sewer lines that threaten health, safety, and overall quality of life in low-income areas.
 - 3.3. Support programs at City-owned facilities in low-income areas that enhance public safety and overall quality of life.
4. **Encourage the provision of social services that assist low-income persons and families improve their quality of life in a variety of ways.**
 - 4.1. Support programs that support basic life needs including employment, job skills, day care and after-school care.
 - 4.2. Support programs that address health and safety concerns.
 - 4.3. Support programs for low-income youth and adults that provide life skills, job skills, and character development.
 - 4.4. Support programs that provide and/or connect persons and families with affordable housing opportunities.
 - 4.5. Support programs that enable people to remain in their homes and to age in place.
 - 4.6. Support programs that provide supportive services for the homeless, the elderly, persons with disabilities, and persons with HIV/AIDS.

**Neighborhood
Stabilization Program**
Infill Housing



CITY OF RALEIGH FEDERALLY FUNDED HOUSING PROGRAMS Use of Program Funds

The following section describes the City's One Year Action Plan for the use of Federal housing dollars and includes Community Development Block Grant, HOME and Emergency Solutions Grant dollars.

SUMMARY OF PROPOSED PROJECTS FY 2014-15

Project Title	Amount
Community Development Block Grant	
Neighborhood Revitalization: Acquisition, relocation, demolition, infrastructure, improvements	\$786,855
Housing Rehabilitation: Includes CDBG rehab and Rehab Warranty	\$141,000
Public Services: Includes funds for nonprofit service delivery and homeownership counseling	\$332,300
Environmental/Site Planning/Property Disposition and Maintenance: Provides funds for site planning and maintenance of CD properties	\$1,337,476
Loan Services: Debt service	\$25,000
Program Delivery Costs	\$531,102
Subtotal Activity Funding	\$3,153,733
Administration and Planning:	\$500,096
TOTAL CDBG	\$3,653,029



Camden Glen
Affordable Rental Housing

SUMMARY OF PROPOSED PROJECTS CONTINUED

HOME Grant	
Rehabilitation: Includes funding for owner-occupied rehab and for the purchase and rehabilitation for first-time homeowners. Funds will assist approximately 12-16 very low- and low-income households.	\$689,402 <u>\$106,969</u> \$796,371
Rental Housing Production: Includes funds for the construction or acquisition and rehabilitation of 50-80 rental housing units for very low- and low-income renter households.	\$693,000 <u>\$107,527</u> \$800,527
Community Housing Dev. Orgs: CHDOs must receive a 15% allocation. Funds are used to develop rental or homeownership housing.	\$198,327 <u>\$ 30,773</u> \$229,100
Administration: Funds are limited to 10% and do not require a match.	\$128,325
TOTAL HOME and Match	\$1,954,383
Emergency Solutions Grant	
Some funds may be used to support the South Wilmington Street men's shelter with supplies and meals and other activities to prevent homelessness. Wake County will match funds. A Request for Proposals will allocate funds for Rapid Re-Housing and Homelessness Prevention.	\$217,085
TOTAL ESG	\$217,085
CITY BOND FUNDS	
The 2011 City \$16,000,000 housing bond provides funding for a variety of affordable housing activities listed in the Plan.	\$4,250,000
TOTAL City Bond Funds	\$4,250,000
OTHER CITY FUNDS	
General Fund (includes HOME Match funds listed above)	\$1,528,099
TOTAL Other City Funds	\$1,528,099
GRAND TOTAL	\$11,378,127

PROGRAM OBJECTIVES

Housing activities proposed over the next year will primarily address First Priority Housing Needs, which are as follows:

- Very low-income renter households.
- Homeless persons and families.
- Elderly and persons with disabilities in need of supportive housing.
- Low- and moderate-income homebuyers.
- Homeowners needing significant rehab assistance.

DESCRIPTION OF HOW FUNDS WILL BE USED**CDBG Funded Activities**

The City of Raleigh will spend approximately \$3,653,029 in federal CDBG funds and program income in the July 1, 2014 – June 30, 2015 fiscal year. This includes the \$2,690,753 appropriated this year and \$963,076 of program income generated from previously-funded developments coming back to the City as loan repayments, sale of acquired property, etc. Community Development Block Grant (CDBG) funds may be used for Community Oriented Government (COG) initiatives if they meet federal and Consolidated Plan requirements.

A. Revitalization Activities: \$786,855

The City will undertake revitalization activities (acquisition, relocation, demolition, rehabilitation or substantial reconstruction, disposition, infrastructure improvements) in several low-income census tracts. Several substandard units will be demolished and existing residents relocated to standard housing, with the City providing relocation assistance. Some infrastructure improvements to meet code will occur. Infill development by developers who buy assembled land will also be completed.

Performance Measurement of Redevelopment Activities

Objective:	Suitable Living Environment		
Outcomes:	Accessibility		
Output Indicators:	Number of units acquired	Goal:	10
	Number of units demolished		8
	Number of households relocated to standard housing		5
	Number of new/rehabbed units for homeownership		5
	Infrastructure improvements		1

B. Housing Rehabilitation: \$141,000

The City provides CDBG funding (along with HOME and Bond funds) to rehabilitate low- and moderate-income owner-occupied units as well as to help LMI households acquire and rehabilitate/reconstruct units. The City offers a low-interest rate loan program that assisted investors in purchasing and rehabilitating one- to four-unit residential structures in certain areas of the City to rent to low-income households.

Performance Measurement of Rehabilitation Activities

Objective:	Decent Affordable Housing
Outcomes:	Affordability

Output Indicators: Number of units rehabilitated CDBG Rehab Goal: 2

C. Public Services: \$332,300

The City will issue a Community Enhancement Request for Proposals to solicit new programs that serve CDBG-eligible populations, including low-income persons, abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS, or migrant farm workers. CDBG funds must be matched with other capacity building dollars by the recipient. The City also funds homeownership classes, job training, Fair Housing activities and a Neighborhood Police Program.

Performance Measurement of Public Services Activities

Objective: Suitable Living Environment

Outcomes: Sustainability

Output Indicators: Number of LMI households receiving services Goal: 150

D. Environmental/Site Planning/Property Disposition and Maintenance: \$1,337,476

CDBG funds are used to create site plans for cleared sites for future housing development and to maintain the sites until sold.

E. Administration, Program Delivery Costs, Loan Servicing and Planning: \$1,056,198

The City may use up to 20% of CDBG to administer the grant, oversee compliance with federal regulations, and undertake fair housing and planning activities in support of CDBG-funded activities. Program costs, loan servicing fees, and planning costs are not part of the cap.



Sunnybrook Phase I
Affordable Rental
Apartments for
Homeless Veterans

HOME Funded Activities

The City proposes to invest its **\$1,729,114** of HOME funds in programs that support the goals of the Five Year Consolidated Plan. HOME funds are aimed at increasing the supply of affordable housing through new construction of both rental and single-family homes, acquisition of existing units, housing rehabilitation for elderly homeowners, and rehabilitation of existing rental units. Priority Housing Needs supported by the HOME program include: very low-and low-income renters, first-time homeowners, and elderly households. Special populations are also assisted through CHDO activities. HOME program income for 2014-15 will be approximately \$655,946.

In FY 2014-15, the City's HOME program will continue to use the following forms of financial assistance.

- Interest-bearing loans
- Non-interest bearing loans
- Deferred loans (forgivable and repayable)
- Interest subsidies
- Equity investments
- Life estates

A. Owner/Investor Rehabilitation Assistance

Grant: \$689,402

Match: \$106,969

Total Number of Units to be Funded: 15

Priority Household Need #1 Very Low- and Low-Income Households,
Homebuyers, Disabled, Elderly

Program Description: These funds will be used to provide loans to homeowners with incomes below 80% AMI (or for disabled or elderly below 50% AMI, zero-interest deferred loans up to \$45,000) citywide. Funds may also be used to assist first-time homeowners for the acquisition and rehabilitation of housing for homeownership or investors who will provide safe and decent affordable rental housing. All units must comply with the Section 8 Housing Quality Standards upon completion of rehabilitation.

Performance Measurement of Owner Rehabilitation Activities

Objective: Decent Affordable Housing

Outcomes: Availability/ Accessibility

Output Indicators: Number of units rehabilitated

HOME Rehab Goal	15
Number of loan applications	18

B. Rental Housing Production

Grant: \$693,000

Match: \$107,527

Total Number of Units to be Funded: 60**Priority Household Need #1****Low-Income Renter Households**

Program Description: These funds provide for either the acquisition or construction of rental housing for low-income rental households. Assistance may be provided to either CHDOs, nonprofit or for-profit developers in response to a Request for Proposals. Units are constructed on a citywide basis and fulfill the City's Scattered-Site Housing Policy for dispersion of low-income housing. In some instances, rental properties may be acquired citywide by the City of Raleigh for its City Owned Housing Program. Units owned by the City are managed through a contractual agreement with Barker Realty. The City may also purchase units in Redevelopment Areas to accomplish its goal of eliminating slums and blight through housing rehabilitation and better property management of deteriorated and nuisance properties. These funds are leveraged with private sector funds.

Performance Measurement of Housing Production Activities

Objective: Suitable Living Environment

Outcomes: Decent Housing

Output Indicators: Number of units rehabilitated	Goal:	0
Number of Proposals		2
Number of units constructed		60
Vacancy rate		<5%

C. Community Housing Development Organizations Set Aside

Grant: \$198,327

Match: \$ 30,773

Priority Household Need #1: Low-Income Renters

Program Description: These funds will be allocated for CHDO activities for the acquisition and rehabilitation of owner-occupied housing or for new construction of single-family or rental housing. The City will continue to provide technical assistance and support to the CHDOs. Funds are generally appropriated after a response to a Request for Proposals, which is now available on an ongoing basis. CHDO activities may take place throughout the City. The City implemented a loan fund program to assist CHDOs in securing options to land/property acquisition for the purpose of affordable housing projects. The funds are available on a first come, first served basis.

Performance Measurement of CHDO Activities

Objective: Suitable Living Environment

Outcomes: Decent Housing

Output Indicators: Number of units rehabilitated	Goal:	0
Number of units constructed		10
Number of responses to Requests for Proposals		1
Vacancy rate		<5%

D. HOME Administration

Grant \$128,325

HOME Match: -0-

Program Description: Funds will be used to support staff activities including planning, management, loan servicing, and monitoring of HOME supported projects. These funds do not require a match. The City may use up to 10% of its HOME grant for administration.

Emergency Solutions Grant Funded Activities

The City will enter into contracts with government and nonprofit agencies to use the ESG funds. The City will monitor the agencies and ensure all funds are expended properly and in a timely manner.

Through its Annual Action Plan Public Meetings the City of Raleigh solicited advice from the Continuum of Care, homeless support agencies, and concerned citizens as outlined in 24 CFR 91.100(d). The visioning and targeting sections reflect those recommendations. The Executive Director of the Lead Continuum of Care agency sat on the ESG Vision and Targeting Principles committee.

City of Raleigh ESG Vision

The HEARTH Act of 2009 outlines the following principles in addressing homelessness:

- ❖ Overall reduction in the number of homeless individuals and families.
- ❖ Success at reducing the number of individuals and families who become homeless.
- ❖ Reducing the length of time individuals and families remain homeless.
- ❖ Reduce return to homelessness by individuals and families.
- ❖ Jobs and income growth for homeless families and individuals.
- ❖ Success in preventing homelessness among those defined as homeless under other Federal statutes and assisting them in achieving independent living.

Research indicates a number of negative impacts on individuals and families when they experience homelessness and are magnified the longer they are homeless.

For single men and women:

- increased mental health, physical health, and substance abuse issues correlated with length of homelessness and number of times homeless.
- The longer someone is homeless the first time, the greater the incidence of repeated homeless episodes.

For families, there is great impact on the children:

- Physical health problems of homeless children
 - 4 times as many respiratory infections
 - 2 times as many emergency hospitalizations
 - 4 times the rate of developmental delays
 - 3 times the rate of emotional and behavioral problems
- Social/Emotional health problems of homeless children

- 1 in 5 homeless children ages 3-6 demonstrate extreme emotional distress requiring professional intervention
- 12% are clinically diagnosed with anxiety, depression, and withdrawal
- 16% have behavioral problems of severe aggression and hostility
- Educational problems of Homeless children
 - 4 times the average rate of delayed development
 - Have more academic problems
 - Are under served by special education
 - Are suspended twice as often as other children

When awarding ESG funds, the City intends to do so with these HEARTH Act principles in mind. Based upon the recommendations received from public meetings and the research cited above, our vision is to increasingly target these resources for individuals and families, place them in permanent housing, and prevent them from losing their housing. We will also look at using ESG funds to help support eligible Street Outreach activities. An RFP for ESG services has been released with an application deadline of June 2, 2014.

Because of an ongoing inter-local agreement with Wake County concerning support for the South Wilmington Street Center (men's shelter), the City of Raleigh may authorize shelter support to the center at \$100,000 for 2014. If this occurs other eligible activity amounts will be reduced proportionally.

City of Raleigh ESG Targeting Principles and projected ESG Expenditures

The table below is based upon the HEARTH Act guidance and input from citizens of Raleigh as to the use of ESG funds. The table actually reflects the average of suggested percentages of support:

Eligible Activity	% of funds available		
	2014	2015	2016
Outreach & Shelter	46%	45%	35%
Homeless Prevention	20%	20%	25%
Rapid Rehousing	30%	30%	35%
Administration	4%	5%	5%

Eligible Activity	Based on 2014 % and funds awarded (\$217,085)	
	2014	Amount
Outreach & Shelter	46%	\$99,859
Homeless Prevention	20%	\$43,417
Rapid Rehousing	30%	\$65,126
Administration	4%	\$8,683

Performance Measurement of ESG Activities

Objective:	Suitable Living Environment
Outcomes:	Decent Housing
Output Indicators:	Number of homeless families or nearly homeless families who Receive emergency services and become stably housed Goal: 500

City Housing Bond Funded Activities

The following programs are funded by the City's \$16 million housing bond, \$4,100,000 of which is available in FY 2014-15. This amount includes income from the previous City Housing Bonds. Bond funds may be used for COG initiatives if the funded activities meet the requirements of the City's Housing Bond.

A. JOINT VENTURE RENTAL PROGRAM

Through this program, the City works with private sector developers to provide additional rental housing opportunities for low-income families earning less than 60% of AMI (\$45,480 for a family of four). Many of the projects target even lower-income families (30%, 40%, or 50% AMI), which raises the required subsidy. Developers are given incentives, including tax credits and special financing terms, to construct the housing units while the City provides low-interest loans through a Request for Proposals process to fill gaps in financing. Joint Venture Rental projects are built throughout the City and adhere to the City's Scattered Site Policy to avoid concentrating subsidized units in areas that already have significant proportions of subsidized units. Priority One areas with mixed incomes will continue to receive higher scores.

Approximately 50 households will be assisted through June 30, 2015.

B. CITY-WIDE HOMEOWNERSHIP LOAN PROGRAM

Through this program, residents are able to purchase a home within the City limits for up to \$170,000 (new or existing). City assistance is provided through a program that requires a payment of \$25 per month in years 1-5 and a 4% interest rate in years 6-30. Several mortgage companies are partnering with the City on this program. To date, over 500 qualified first-time homebuyers have benefitted from this program. The City's Homeownership Counseling program, financed through City dollars, is a prerequisite to qualifying for City loans.

C. OWNER (Ownership within Neighborhoods to Encourage Revitalization) PROGRAM

City residents (no need to be a first time buyer with this option) may purchase a home within low-income census tracts for up to \$170,000 and receive up to \$15,000 (if between 66% - 80% AMI) or \$30,000 if 65% AMI or below as a second mortgage at 0% interest for 30 years.

D. HOMEOWNERSHIP COUNSELING PROGRAM

CD has entered into contracts with nonprofit, HUD-certified Housing Counseling Agencies to provide: budgeting, credit workouts, homebuyer

workshops, mortgage pre-qualifications, post-purchase counseling, and mortgage default counseling to qualified families who use the City's 2nd mortgage programs. The nonprofit agencies will work with these families to make sure they understand their responsibilities as owners and provide services to help these families fulfill their responsibilities and preserve their rights. The nonprofit organizations will also connect homeowners in trouble to American Recovery and Reinvestment Act and other federal mortgage assistance programs. We estimate 100 households will participate in these programs this year.

Homeowners who approach CD to make use of the City's rehabilitation programs will also have access to credit review counseling and budget and planning services if their credit situation keeps them from qualifying for a rehabilitation program. We estimate that 50 households will participate in this program this year.

Approximately 50 households will be assisted through June 2015 with the Citywide and OWNER Second Mortgage Programs.

E. CITYWIDE AFFORDABLE RENTAL HOUSING PROGRAM

Through this program, the City acquires and maintains existing rental units throughout the City. Barker Realty, Inc. manages all rental properties owned by the City. Units are rented to very low-income families at rents substantially below market rate. Rents for these properties average \$450 - \$600 per month. The target beneficiaries are very low-income renters with incomes at 50% of the median income. The City currently has an inventory of 194 affordable rental units in this program. In Redevelopment Areas, blighted properties are acquired and rehabilitated.

F. LIMITED REPAIR PROGRAM

The Limited Repair Program gives loans to qualifying families to make small repairs (under \$7,500) to their home on an emergency basis. Examples of emergency repairs are leaky roofs, plumbing or electrical problems. The unit must be owner-occupied, within the City of Raleigh limits, and the family income must not exceed 50% AMI in order to qualify. The loan is discounted 20% every year for five years as long as the owner remains in the home.

G. REVITALIZATION

The City uses Bond funds to acquire and demolish dilapidated housing units in Redevelopment Areas for neighborhood revitalization purposes in the same way it uses CDBG funds for these activities. The properties are typically sold to private or nonprofit developers for the creation of new affordable units. Bond funds may also be used to purchase land for affordable housing and to install or repair public facilities (utilities, sidewalks, greenways) that support affordable housing. The planning for the reuse of the Washington Terrace Apartments site, acquired by DHIC, Inc. in early 2014 in part with City bond funds, may require the use of in-kind and/or bond resources.

H. FORGIVABLE LOAN REHABILITATION PROGRAM

The Homeowner Rehabilitation Forgivable Loan Program is aimed at helping low- and moderate-income homeowners living in designated areas of the City rehabilitate and maintain safe housing. To qualify for this forgivable loan (up to \$45,000), the home must be located within a redevelopment area or low-income census tract, it must be the owner's primary residence, and the owner must not earn more than 50% of AMI. The loan must be used to bring the home up to federal housing quality standards. The loan is forgiven after 15 years if the borrower remains in the home.

Property Eligibility: "Suitable for Rehab" and "Unsuitable for Rehab" Defined

Property eligibility includes structures "Suitable for Rehabilitation," defined as structures that can be brought up to CD Housing Quality Standards (HQS) within the allowable maximum financial assistance available (\$45,000 under the Forgivable Loan rehab program) and with additional financing provided by the property owner in order to make up the deficit between the maximum assistance level and the amount required to accept the lowest responsible bid.

A property defined as "Unsuitable for Rehabilitation" is a substandard unit in such poor condition that it is neither structurally nor financially feasible to rehabilitate to HQS within the CD allowable per unit maximum limit (\$45,000 for the Forgivable Loan rehab program). "Unsuitable for Rehabilitation" is further defined as a residential structure which has major structural conditions due to inadequate original construction or has failing foundation, floor, wall, ceiling, roof, and exterior systems.

AFFIRMATIVE MARKETING

To support the City's commitment of non-discrimination and equal opportunity in housing, the City makes special efforts to assure that housing programs assisted with federal or local funds are made widely known in the community. This effort is made through the use of minority newspapers, community organizations, social service agencies, the Raleigh Housing Authority, and area churches. The City also provides information and outreach through the Citizen Advisory Councils and other citizen groups.

CD staff participate in Viva Raleigh and other Spanish-language outreach initiatives, translating housing assistance marketing brochures into Spanish with interpreters on site to interact with Spanish-speaking residents.

The Community Services Department has a number of fair housing informational brochures, which are available in Spanish. All CD information displays the fair housing logo. Joint partnerships with lending institutions, the use of private management agencies, the homeownership counseling programs and joint venture developments located in scattered site locations all help broaden participation in program activities.

SMALL DISADVANTAGED MINORITY AND WOMEN OWNED BUSINESS PROGRAM (SDMWOB) OUTREACH EFFORTS

The City has a comprehensive program to enhance and support minority- and women-owned business enterprises (SDMWOB). This support is accomplished through four major elements that include the following:

- 1) ***Communications:*** Actions that are taken to inform the SDMWOB community that the City has a policy of outreach towards minority and women-owned businesses. A Business Assistance Coordinator works with SDMWOBs and City departments to facilitate and implement this program. This position is based in the Department of Administrative Services.
- 2) ***SDMWOB Business Identification:*** The City has a Business Assistance Program that was created in 1988 to promote participation by minority and women owned businesses. It maintains a database of these businesses that is updated annually.
- 3) ***Advisory Program:*** The City aids SDMWOBs through the Business Assistance Program through workshops, counseling and referral services.
- 4) ***Contract Information:*** The Business Assistance Program assists small businesses by trying to package smaller contracts so small firms and companies may bid on projects.

The Business Assistance Coordinator assures that all contracts adhere to policies and procedures relative to the City's SDMWOB policy. The City has adopted a goal that 15% of City contracts are awarded to SDMWOBs. To support this goal, the City has adopted the following objectives:

- 1) To provide equal opportunity for participating in City construction, contracting and procurement programs.
- 2) To provide procedures that enables the City to fulfill Federal, state and local requirements.
- 3) To increase awareness of the existence and capabilities of SDMWOB and their services.
- 4) To develop a certification program, assist SDMWOB become certified and to keep such firms informed of procurement needs, purchasing procedures and potential construction projects.
- 5) To sponsor seminars and workshops which assist SDMWOB in City procurement procedures.
- 6) To monitor compliance and provide procedures for the resolution of complaints.

Small Disadvantaged Minority- and Women-owned Business Enterprises (SDMWOBs) can learn about new business opportunities with Raleigh City government by attending the City's annual SDMWOB Expo. The free expo is held annually to increase the number of SDMWOBs that do business with the City of Raleigh. The expo allows SDMWOB contractors and businesses to come to a central location to meet City staff one-on-one to learn about City purchasing services. City staff will share information and answer questions about the City's purchasing needs and contracts.

REVITALIZATION ACTIVITIES – CDBG AND BOND FUNDED

The City will continue to stress neighborhood revitalization as a means of addressing slum and blighted conditions and encouraging low- and moderate-income housing development in target areas. This approach has focused on the goal of developing viable communities, principally for the benefit of low-income households through the provision of affordable housing, creating a suitable living environment, and expanding economic development opportunities.

The City uses Community Development Block Grant funds throughout the City.

- 1) **Revitalization:** Activities that occur include acquisition of substandard properties, relocation, demolition, rehabilitation, public improvements, site planning, and public services.
- 2) **Citywide:** Activities that occur citywide include the 2nd Mortgage Program, Joint Venture Rental Housing, Single-Family Housing Development, Rehabilitation, and Purchase of Affordable Housing Units.

GEOGRAPHIC PRIORITIES FOR SPENDING

The Community Development Department maintains housing-related programs available to low- and moderate-income residents citywide addressing the needs and priorities established in the Consolidated Plan for owner-occupants, new homebuyers, and low-income renters. Some programs, however, are targeted to specific areas of the city.

Neighborhood revitalization activities (acquisition of blighted structures, demolition and land assembly) tend to target areas of concentrated poverty, extensive blight and vacancy, and high crime. In recent decades these activities have focused on neighborhoods immediately south and east of the downtown, neighborhoods that are among the oldest in Raleigh with deteriorated and obsolescent infrastructure and housing. These areas also contain some of the most (currently) affordable housing in the city, a prospect that can be maintained only through purposeful government action, given market pressures and the public / private revitalization of the downtown. Though there are low-income census tracts in other areas of the city, Community Development will continue working primarily in these census tracts adjacent to the downtown in order to eliminate blighting influences, produce quality affordable housing opportunities, and take steps to ensure continued affordability.

The Departments of City Planning and Community Development have recently conducted an evaluation of the city's Redevelopment Plans, many of which date to the 1970s. This review found that the age of the plans and significant recent changes in these neighborhoods, combined with the 2006 amendments to North Carolina's Urban Redevelopment Law, create the need for a new approach to directing resources to these neighborhoods. A locally adopted neighborhood plan—prepared consistent with federal guidelines—was the chosen vehicle for this new approach. An essential component of this approach to neighborhood revitalization planning will be coordination and partnerships with neighborhood residents, neighborhood oriented groups and nonprofits, Citizens Advisory Councils (CACs), and other city departments.

The Raleigh City Council reviewed staff's recommendation and instructed staff to share this vision with the impacted CAC's for their input, which occurred in early 2011. More detailed discussion with these CAC Chairs occurred early in 2013. During the next year, planning is expected to continue with data analysis and initiation of the first neighborhood planning process. For the next few years, future planning will occur at the same time that several mature developments begun under the former redevelopment approach are completed.

All City funded activities adhere to the Scattered Site Housing Policy (see Attachments). This policy geographically disburses low income housing to Priority areas, which are based on percentage of minority households, access to transportation and employment, number of assisted housing units, and income characteristics. All requests for public housing, joint venture rental assistance, and tax credit projects are reviewed to adherence to the policy.

A number of programs operate citywide. These are: 1) Joint Venture Rental Housing, 2) City-Wide Second Mortgage Program; 3) Rehabilitation Assistance; and 4) Purchase of City owned housing.

The City makes housing assistance available in southeast Raleigh. This emphasis focuses on neighborhood revitalization activities where the goal is to eliminate slums and blight. Several programs which operate in southeast Raleigh include: 1) CDBG assistance – Acquisition, Relocation, Demolition, Public Improvements, Job Training Programs; 2) Purchase and Rehabilitation of City Owned Housing; 3) Second Mortgage Program; 4) Housing Rehabilitation; 5) Joint Venture Housing.

STRATEGIES TO ELIMINATE HOMELESSNESS

CONTINUUM OF CARE

The City of Raleigh continues to work toward the goals established by the Wake County Continuum of Care Working Group. Cooperative efforts continue with existing housing developers and providers such as Community Housing Development Organizations.

The Wake Continuum of Care (CoC), also known as the Partnership to End and Prevent Homelessness, is a planning and action group made up of nonprofit housing service providers and government agency representatives. Its primary focus is to deliver housing and support services to homeless persons. The group meets bi-monthly in an effort to combat and eliminate homelessness and create a seamless, integrated system of housing and support services that minimizes gaps in service for all who are homeless.

The CoC was formed in 1995 to develop, analyze and strengthen Wake County's homeless continuum of care system. The group's goals are twofold: to provide a balance of emergency, transitional, and permanent housing, and to develop services so homeless persons and families can make the critical transition from the streets to housing, jobs and self-sufficiency. The group identifies gaps, sets priorities and prepares the annual HUD NOFA Continuum of Care grant application to HUD for funds to address homeless populations. In fall 2006, the Wake County Continuum of Care became a 501(c) 3 nonprofit organization. This allows it to raise funds to support a computerized Homeless Management Information System and to be its own fiduciary agent for management of the funds. In January 2014, the Continuum of Care

conducted a Point in Time count of the homeless and under-housed population in Wake County. The results are as follows:

2014 (1/30/14) Point in Time Survey of Homeless Persons in Wake County

Total Homeless people during Point-in-Time Survey	1,170
Homeless people staying in temporary shelter	1,046
Homeless people without shelter (i.e. on the streets)	124
Homeless people in families (including children)	354
Homeless children	228
Homeless individuals (not in families)	816
Homeless children (not in families)	3
Homeless people who are victims of domestic violence	84
Chronically homeless people	68
Homeless with a substance abuse problem	350
Homeless Veterans	109
Homeless with mental illness	177

Source: Wake Continuum of Care

During FY 2013, Wake County's Continuum of Care had four working planning committees. Descriptions of the committees and their work follow:

1. Centralized Intake (CI) Workgroup – This workgroup is charged with the implementation of Coordinated Assessment. Directors of the two CoC agencies which sponsor CI, along with representatives from the County, the CoC and nonprofits meet to revise policies & procedures based on feedback from partners, data collected from daily operations and insights from the program coordinator. CI was launched in our community in May 2012, focusing on single women & families. In 2013, CI will expand to include men. This group is coordinating the expansion effort, & they also work to address resource challenges. System-wide coordinated intake to enhance services delivered to clients and & target program assistance where it can be most effective is our goal.
2. Employment and Education Committee – This committee is made up of service providers from CoC member agencies work to increase opportunities for job training, seek avenues to address clients' employability issues, improve awareness & access to community employment resources, & develop activities to meet 10-year plan objectives for employment. The team builds relationships between local businesses & service agencies to enhance opportunities for client employment. Collaborations include: sponsoring reverse job fairs to introduce qualified & screened candidates to hiring businesses, conducting employment resource fairs at Homeless Connect & Stand Down events, sponsoring staff training to educate CoC member staff on federal/state hiring incentives, & promoting our work at Chamber sponsored business expos.
3. Executive Director's Advisory Council – This advisory council is composed of the

executive directors who lead the efforts of the CoC agencies working to address homelessness. This council was developed to foster improved collaboration between the CoC at large & agencies charged with making the system changes & achieving the desired outcomes to meet the goals of our 10 -year plan. This collaborative participation is a key component to the successful implementation of needed changes. Because each member is intimately familiar with the front line work performed with and on behalf of citizens experiencing homelessness, recommendations from this group are integral to the decision-making of the Board. The CoC's executive director convenes the group & facilitates their discussions.

4. Government Resources Committee – This committee consists of representatives from the County, the Partnership & nonprofits- both who receive federal funds & those who do not. This group completes HUD & other government funding applications. It makes recommendations to the Board & keeps member agencies informed of best practices, enhancing the continuum's effort to provide coordinated services & monitor the success of these efforts. The group designs and maintains standard outcomes and submission standards for programs applying for funds through the CoC. It collects & analyzes data from APRs, PIT counts & Project Homeless Connect events. This group is also charged with the implementation & management of our HMIS system, providing accurate data to support the CoC.

In March 2014 the Partnership to End Homelessness reorganized its working groups into this configuration: Advocacy and Education, Fund and Resource Development, Housing Working Group, and Street Outreach. The groups are currently developing their visions and deciding what activities they will address in the next year.

In February 2014 the Wake County Continuum of Care applied for \$2,552,994 from the Continuum of Care Grant (U.S. Department of Housing and Urban Development (HUD)). These funds were requested to be used for the following:

Carolina Homeless Information Network asked for \$76,682 in Continuum of Care Program (COC) homeless assistance funds. These funds provide technical support for Wake County's Homeless Management Information System (HMIS), a database shared by homeless provider agencies.

CASA, Inc., a Raleigh-based nonprofit, asked for \$51,783 in COC funds. These are renewal funds for the operation of Aurora/Harrington Place, a residence for formerly homeless individuals.

CASA, Inc., a Raleigh-based nonprofit, asked for \$87,880 in COC funds for Oak Hollow, an apartment complex that houses homeless families with disabilities.

CASA, Inc., a Raleigh-based nonprofit asked for \$192,594 in COC funds to provide housing and support services for persons who are homeless with serious mental illness.

CASA, Inc., a Raleigh-based nonprofit asked for \$22,296 in COC funds to for Salisbury Apartments, an apartment complex that houses homeless individuals with a mental illness or substance abuse issues.

Haven House, Inc., a Raleigh-based nonprofit asked for \$50,921 in COC funds for Rapid Re-Housing to provide housing and support services for homeless youth.

Passage Home, Inc., a Raleigh-based nonprofit, asked for \$199,762 in COC funds for Ruth's House permanent housing. This program provides permanent housing to formerly homeless families and single women who have graduated from Passage Home's transitional housing programs.

Passage Home, Inc., a Raleigh-based nonprofit, asked for \$209,671 in COC funds for "Essential Services" to assist homeless families including ex-offenders and to obtain permanent housing, increase life skills and income and to help families achieve greater self-determination and self-sufficiency.

Passage Home, Inc., a Raleigh-based nonprofit asked for \$11,484 in COC funds to renew the care component of a Shelter Plus Care program.

Wake County Human Services asked for \$1,187,875 in renewal funds for its Shelter Plus Care (S+C) rental subsidy program for single adults with severe and persistent mental illness and/or co-occurring mental illness and substance abuse issues.

Wake County Human Services asked for \$220,238 in COC funds for psychiatric outreach, treatment and support services. This program provides psychiatric services to homeless individuals with a serious mental illness served by the agency's Community Outreach Team.

Wake County Human Services asked for \$217,904 in COC funds for its Shelter Plus Care (S+C) rental subsidy program for single adults with severe and persistent mental illness and/or co-occurring mental illness and substance abuse issues.

Wake County Human Services asked for \$23,904 in COC funds for its Homeless Veteran Service Officer working out of the local men's shelter.

2014-2015 Continuum of Care Application

The Wake Continuum of Care will apply for FY 2014-15 funds to continue current programs and to obtain additional funds for the development of permanent housing units and accompanying support services for homeless persons who are disabled. The Continuum of Care will submit an application in response to the HUD NOFA when released in late 2014 or early 2015.

Additional Activities Addressing the Needs of the Homeless

Food Distribution Task Force

In an effort to address issues related to food distribution to homeless persons in Moore Square Park in downtown Raleigh, Raleigh City Council, in September 2013, called for the creation of an ad hoc Food Distribution Task Force, coordinated by City staff. Council charged the Task Force with finding alternative locations for food distribution to those in need. Members of the

Task Force included providers of food and those with interest in providing food in Moore Square, homeless individuals, residents and businesses around Moore Square, members of the general public, and City staff.

Three public meetings were held at which desirable location criteria were established (such as: sheltered conditioned space near Moore Square, hand washing facilities, etc.) In October, City staff proposed the use of a City-owned warehouse behind a former Salvation Army site at 215 South Person Street which met all Task Force criteria. The Task Force unanimously agreed with the City staff proposal. The Task Force made a formal recommendation to City Council. City Council approved the Task Force's recommendation December 3, 2013.

The Council-approved Task Force recommendation included both short and long-term strategies:

- 1) Short-Term Strategy: Utilize the proposed site (215 South Person St.) as a temporary solution (2-5 years) to replace Moore Square Park for food distribution to the homeless and hungry on the weekends.
- 2) Long-Term Strategy: The City will work with the County to develop a plan and timeline for a single-point of access facility for the homeless within 6 months to begin a longer-term, more holistic solution to homelessness.

Short-Term Strategy

The City of Raleigh invested approximately \$100,000 of local funds in the renovation of the warehouse, including installation of plumbing facilities and HVAC and making the facility ADA compliant. The Task Force named the facility the Oak City Outreach Center; City staff created a logo, a tag line—closing the hunger gap together—and assisted with other public education/information efforts, including the Raleigh Television Network (RTN).

The City entered into a Memorandum of Understanding with the Partnership to End and Prevent Homelessness, a 501c3 (the local Continuum of Care organization) to assist in managing the renovated facility. The Partnership published a Request for Proposals seeking organizations interested in coordinating service providers on the site. Catholic Charities' proposal was selected by the Partnership's review committee. The Partnership will pay Catholic Charities using donated funds. The Oak City Outreach Center's first day for food distribution will be Saturday June 14, 2014.

Long-Term Strategy

The City Council's charge to the Task Force included developing a strategy for a long-term solution to the food distribution issue because the Oak City Outreach Center is explicitly understood to be temporary. City and County staff have been meeting with the Partnership to develop such a strategy. Initial discussions soon determined that finding an appropriate location, determining the type of facility to be built or rehabbed and establishing sources of funding clearly require extensive discussion and public input. A decision was made by the subcommittee to include the development of this long-term strategy as part of the City and County's public processes for the Consolidated Plan 2015-2020, which will be conducted July 1, 2014—June 31, 2015. The Task Force will present this proposed approach to Raleigh City Council in June 2014.

Preliminary discussions recognize the possibility of the City and the County partnering on the acquisition of a property and investing available funds in capital improvements for the proposed facility. Possible funds for this use include CDBG.

NEEDS OF PUBLIC HOUSING: RALEIGH HOUSING AUTHORITY

RHA has 1,306 public housing units located in 15 developments scattered around the City of Raleigh. Over 100 of these units are single family homes reserved for working families. There are also two redeveloped public housing communities that are mixed-income properties. RHA maintains an average occupancy rate of 99%. As a federally-funded agency, RHA has taken significant decreases in its funding level.

In 2010, RHA demolished the last of its large, barracks style public housing properties known as Walnut Terrace. Since that time RHA has been working to rebuild the community into a mixed-income community without a HOPE VI Grant or additional HUD development funding. Including construction loans, RHA has secured over 40 different sources of funding to complete this redevelopment. The redevelopment of Walnut Terrace is well underway with a target completion of December 2014. Once completed there will be 145 public housing units and 147 rent-restricted units. Former Walnut Terrace families will have the first opportunity to return to the new units before units are made available to the general public. RHA is currently contacting former Walnut Terrace families to determine their interest in returning.

Housing Choice Voucher Program

RHA has 3,869 vouchers. In 2013 the funding for administration of this program was reduced by 30% and the rental assistance saw a 6% cut. RHA has reorganized the staffing and has taken measures to reduce administrative costs. RHA has used the rent reasonableness methodology to ensure that the program is paying a fair price for units under the program. The idea is to get all units leasing in the mid-range. These measures have helped to reduce program costs and enabled RHA to continue to assist the maximum number of families allowed by HUD.

Applications

RHA has separate waiting lists for the voucher program and the public housing program. In addition, there are separate waiting lists for the HOPE VI communities and the single family home program. Applicants can be on all waiting lists or only one. RHA's waiting lists remain open and accepting applications. There are almost 8,000 applicants on the voucher waiting list and 98% of these applicants have incomes below 30% of Area Median Income (AMI). RHA has adopted a local preference for applicants that live or work in Wake County. This is because RHA's open waiting list has drawn applications from all over the country. Forty-two per cent of the applicants for vouchers come from outside of Wake County. (For public housing, 23% of applicants are from outside Wake County.) Because RHA's vouchers are fully utilized, new applicants are only taken off the waiting list as vouchers turnover. As a result, the wait for a voucher can take three to five years. Nearly 60% of the applicants are families with children and 21% are persons with disabilities.

The public housing waiting list has almost 3000 applicants with 98% of the applicants having incomes below 30% AMI. Applicants are taken off the waiting list as unit sizes that meet their family size become available. In looking at the waiting list for public housing, the unit sizes in most demand are one and two bedroom units, accounting for 85% of applicants. Fifty-seven percent of applicants are families with children and 27% are elderly and disabled applicants. The wait for public housing ranges from six months to two years depending on the family size. The longest wait is for one and two bedroom applicants since they also represent the largest applicant pool. RHA receives more than 300 applications per month. This is not unusual given the current economy and the unemployment rate. RHA continues to promote its programs to applicants and landlords throughout Wake County.

The Raleigh Housing Authority is rated as a top performer under all HUD rating systems and has 26 consecutive years with zero financial audit findings. RHA will continue to focus on providing top quality housing units while using housing resources cost effectively.

RHA and the City work together to provide a Landlord Training class for the community. There are usually three classes per year that are offered in RHA's community center at Capitol Park. This is a thorough class that benefits anyone that manages rental units. RHA explains the Housing Choice Voucher program and uses this opportunity to promote the program to new landlords.

Budgetary Considerations

As a federally-funded agency, RHA is impacted by budget decisions made on the federal level. Currently, RHA is dealing with funding cuts due to cuts to the federal budget initiated by Congress. HUD continues to provide guidance that funding for public housing will never return to 100% of eligibility. Housing authorities are encouraged to find alternative means for modernizing and funding the operations of public housing that depend less on federal operating subsidies. HUD offers a couple of options for converting public housing to project-based or tenant-based rental assistance. HUD is currently guiding agencies to participate in the Rental Assistance Demonstration (RAD) program where public housing units are sold to private entities that operate the units under project-based voucher assistance. RHA has conducted the analysis necessary to look at the RAD conversion and only one public housing community would be suitable for RAD.

RHA has been considering its various options for lessening its dependence on federal subsidies. RHA has looked at Capitol Park as a possibility for conversion. However, HUD is currently rewriting its regulations relating to conversions, dispositions, and demolitions and has informed housing authorities no requests will be processed until the new rules are written. Therefore, RHA has dropped its plan to sell Capitol Park and is investigating other options to preserve and enhance its affordable housing inventory.

STRATEGIES TO BRING FAMILIES OUT OF POVERTY

According to the 2000 Census, 29,807 Raleigh residents lived below the poverty line, representing 11.5% of the population. In 2010, that had increased to 15.1%. A report and survey prepared for Wake County Human Services and the Triangle United Way found that in Wake County, of which Raleigh is the largest municipality, 12.4% of survey residents have trouble with the basic necessities of food, shelter, clothing, and utilities. Other findings reported:

- Ethnic minority males continue to earn less than their white counterparts – usually 10-20 cents less for each dollar earned.
- Minority males in Wake County are also more likely to die from stroke, cancer, prostate cancer and homicide than the state average.
- Only 27% of African-American or Latino children participate in structured sports or activities after school or on the weekends versus 50% of white children.
- Approximately 25% of Wake County students drop out of school prior to graduating.
- Approximately 15% of adults over the age of 25 do not have a high school education or GED.

Often, older inner-city communities are characterized by a combination of poverty and other societal ills. Incomes tend to be much lower or non-existent; there are more female-headed households with children and higher levels of births to unmarried women; educational attainment is low and unemployment is high; many residents lack the skills needed in high growth industries. Residents have poor credit histories and many have criminal backgrounds.

The City's Anti-Poverty strategy is aimed at developing a comprehensive approach to create a suitable living environment that enhances greater economic diversity and growth; as well as to create opportunities through job training and other means of social support. The goal is to support the physical, economic, and social aspects of life in these challenged communities.

There are a number of City and County funded programs that are directed to improving the lives of community residents by focusing on strategies to increase earnings and long-term employment options. The City has several economic development programs that it is planning to budget for in FY 2014-15. These programs will cover a broad range of needs. Many anti-poverty programs are County supported, since Wake County is responsible for human services funding and government assistance programs. This strategy is submitted as a joint submission with Wake County. Although many of these programs describe County activities, many of the households needing these services are also City residents.

Since 2003, the City has implemented a Community-Oriented Government (COG) initiative in some of the most challenged inner-city neighborhoods, which has produced positive results. Staff members from several City departments participate in well-attended public meetings in each neighborhood where resident concerns are gathered and prioritized through a structured process. These community-identified concerns play a major role in government decision-making for that neighborhood. Results are then reported back to the community at additional public meetings to measure progress toward neighborhood goals.

Community Development Block Grant (CDBG) and/or Bond funds may be used for COG initiatives if they meet federal and Consolidated Plan requirements.

OTHER ACTIONS, POLICY AND INTERGOVERNMENTAL COOPERATION

LEAD-BASED PAINT

Lead-based paint treatment is extremely important to the safety of children. Communicating the need for screening is still an issue, particularly with private physicians who may not screen unless they suspect “risk” factors or the parent requests a screening. Health educators also note that many families do not respond back for additional follow up or testing. Also, unless a child has a confirmed reading above 20, environmental investigations are limited. For those children with readings between 10 – 20, the Department advises in writing, the owner, managing agent, child’s parents or guardian about routine cleaning activities.

The City of Raleigh assists homeowners who use our rehabilitation programs on about 30-40 units annually using CDBG and HOME funds. Many of these homes were constructed before 1978 and have lead-based paint. The Rehabilitation Program budget funds this activity, which diminishes the number of rehabilitations that the Department can fund.

City-owned projects -- properties that the City buys, renovates and holds in the portfolio as rental units -- are tested and treated in accordance with the regulations as well. Most of the units purchased and rented were built after 1978; some are not funded with any federal dollars.

The Department continues to look for ways to improve cost-effectiveness in both work techniques and delivery costs.

FAIR HOUSING

The City’s Fair Housing Plan outlines the issues that impede fair housing for citizens in the City of Raleigh. Due to economic conditions, the City is currently in a hiring freeze and cannot address the fair housing issues related to staffing. When the economy improves, the City will budget for that position.

The Analysis of Impediments identified three Impediments to Fair Housing Choice:

1. **A disparity in mortgage lending.** Home Mortgage Disclosure Act (HMDA) data revealed a disparity in the loan origination patterns and denial rates of minorities and non-minorities in the Raleigh area.
2. **A lack of fair housing enforcement by a local agency or department.** The City of Raleigh does not have a fair housing department or agency to receive complaints, conduct testing, and promote education and outreach.
3. **A lack of “substantial equivalency” status.** Raleigh does not have substantial equivalency status with HUD. This lack keeps the city from directly processing local fair housing complaints and actively enforcing Fair Housing regulations.

The City will continue to appoint, provide staff support and the funding for the City’s Fair Housing Hearing Board to meet publicly each month and plan and present the annual Fair Housing Conference. The Fair Housing Hearing Board provides a “Tenants’ Rights and

Obligations” handbook. This publication, along with other national and local publications, is made available to citizens through the Community Services Department.

The Community Services Department employs a community services specialist with the responsibilities of fair housing education, referral, and outreach activities. This position will continue to provide education, outreach activities, and complaint referral until the new staffing plan is implemented.

The Community Services specialist will continue to be the City’s contact and referral point for fair housing inquiries until the new staffing plan is implemented. Further, they will provide Fair Housing outreach by providing a Fair Housing table at City and County functions such as Housing Fairs, Neighborhood Exchange Programs, etc.

The Community Development Department will continue to provide CDBG funds for Fair Housing Outreach and Educations materials to the Community Services Department.

In conjunction with the City’s Fair Housing Hearing Board, the Community Development Department will support the production of the next Analysis of Impediments to Fair Housing Choice in this fiscal year. We will be attempting to partner with the two local housing authorities and perhaps with Wake County and the Town of Cary in producing the Analysis. We will also incorporate the focus and intent of the proposed Affirmatively Furthering Fair Housing rule when possible but we will not attempt to perform an Assessment of Fair Housing as introduced in the proposed rule.

Adequate, safe, and quality housing choices are still an issue in this area for non-English speakers. Immigrants are still the least likely to file a formal complaint or be aware of their fair housing rights. Language and cultural differences continue to be a barrier in regard to adequate public education. More outreach is needed in this area via bilingual workshops and literature. Although there have been improvements in written literature, particularly in Spanish, it still a matter of awareness that the literature exists.

To assist with the growth of Spanish speaking residents, Community Services has a Spanish speaking staff person to assist other staff in communicating with area residents on relocation issues, translate notices of public hearings and work in target communities to inform these residents of City services and policies.

CD staff participates in Viva Raleigh and other Spanish-language outreach initiatives, translating housing assistance marketing brochures into Spanish with interpreters on site to interact with Spanish-speaking residents.

The City continues to utilize the Scattered Site Policy as the primary vehicle to geographically target assisted housing opportunities to non-minority and low -income communities. The plan guides all requests for Certifications of Consistency and comments for North Carolina Tax Credit proposals. The Scattered Site plan is being reviewed this year and changes will reflect the focus and intent of the proposed Affirmatively Furthering Fair Housing rule.

INSTITUTIONAL STRUCTURE AND ENHANCING COORDINATION

The City of Raleigh Community Development Department is the primary City department responsible for the planning, coordination, and implementation of the Consolidated Plan and its programs through its four divisions: Strategic Planning, Construction, Loans, and Finance. The Department also develops and implements the Annual Action Plans that address the needs and priorities identified in the Consolidated Plan. CD staff is experienced in the implementation and oversight of HUD entitlement funds.

Other City departments play important supporting roles in the implementation of the Consolidated Plan, including the Department of City Planning, Inspections, Public Works, Raleigh Police Department, and Parks & Recreation. The Department of Finance, including Accounting and Purchasing, and the Legal Department are also involved in program administration.

The Neighborhood College is a program offered by the City of Raleigh in partnership with Wake County. It is a twelve-week series of classes that provides information on several different kinds of City services, as well as County services. Students in the Neighborhood College will have a chance to meet and interact with City staff, County staff, and other Raleigh residents. Some of the topics that discussed include: City services and County services, development, nuisance abatement, emergency services, the City budget process, and environmental services. The College is offered twice a year to citizens.

The City continues to evaluate policies relating to affordable housing. The City of Raleigh sponsored a ULI Triangle Technical Assistance Panel (TAP) on Inclusionary Zoning. A panel comprised of experts in affordable housing development, market rate single family and multi-family development, zoning law and governmental affordable housing programs was recruited to examine the economic and market considerations of such tools to determine whether (1) a non-mandatory inclusionary housing program is feasible and would result in meaningful unit production; and (2) if it were feasible, what magnitude of incentives and/or subsidies would be required.

The panel assessed the tools and incentives used to promote affordable housing developments, and roughly calculated the gap between market and affordable housing returns.

The City will continue to work with Wake County in a number of program initiatives. The City will continue to be supportive of the Wake County Continuum of Care Collaborative to support efforts to provide transitional and other homeless housing. The City reviews requests for certifications of consistency and has established partnerships with many of the provider agencies.

STRATEGIES TO REMOVE BARRIERS TO AFFORDABLE HOUSING

The City recognizes the challenge faced by low- and moderate-income households to find housing they can afford in Raleigh's vibrant housing market and has taken specific steps to address that challenge. Since 1990, Raleigh voters have approved \$70 million worth of affordable housing bonds, funds that Community Development has used in the production of

hundreds of affordable housing units. The most recent Housing Bond for \$16 million was approved in 2011.

The City will continue to support housing that is attractive, well managed, and geographically dispersed throughout the community. The City is committed to producing units that are well designed and are an attribute to the surrounding community. Many City developments have won design awards and good management has improved former blighted and nuisance buildings. The City feels that these efforts play a major role in eliminating negative public perceptions of affordable housing units.

Raleigh's comprehensive plan, *Planning Raleigh 2030*, was adopted by City Council October 7, 2009. Many recommendations of the Council-appointed Affordable Housing Task Force (AHTF) report *Expanding Housing Choices: How to Preserve and Expand Affordable Housing Opportunities* were incorporated into the comprehensive plan's housing chapter. Several of these recommendations were included in plan policies (guiding decision-making) and actions (specific steps government should take to implement the policies). Some actions to support continued affordability of housing in a vibrant housing market included are: create a housing trust fund, create a community land trust, provide zoning and financial incentives to encourage affordable units in Transit-Oriented Developments, and create an inclusionary housing ordinance, among others. Implementing some or all of these actions should result in the production of a greater number of affordable housing units.

MONITORING STANDARDS AND PROCEDURES

CD staff establishes regular monitoring schedules with contractors / partners involved in program implementation to identify problems early and ensure proper implementation and record keeping. All housing projects are desk monitored annually; if problems are indicated, on-site monitoring follows. All housing projects are routinely monitored on-site every one - three years using the current HOME monitoring standard.

The Community Development Department is directly responsible and accountable for the use of federal funds. The goals of monitoring are as follows:

- To ensure that statutory and regulatory requirements are being met,
- To ensure that financial record keeping and reporting is accurate and complete,
- To ensure that programs are being implemented consistently with the Consolidated Plan's One Year Action Plan and the goals are met within the planned time frames,
- To ensure that programs are implemented and well designed.

Monitoring and oversight continue to be a major departmental thrust. A wide variety of monitoring activities are coordinated through a program coordinator charged with compliance and monitoring activities. In order to ensure project accountability, a system of reporting is in place to track project activities either on a monthly or quarterly basis. These reports are reviewed regularly and are used to track benchmarks throughout the year. A number of monitoring plans developed and implemented in the past few years are now coordinated through the program coordinator. With HOME and CDBG checklists in place, a major effort continues to be the development of electronic tracking for all program activities to check compliance and follow-up action. This effort will continue in FY 2014-15.

As part of the City's annual audit, the Department's financial Report and Programs are reviewed each year.

HOME Monitoring is an ongoing priority to meet HOME program requirements for income certification and unit inspection of all HOME financed units. The City currently has twenty-four projects purchased with HOME money that require monitoring: Water Garden Village & Park, Hollenden, Franklin Woods I & II, Woodpecker Court, Ricky Circle, 809 Bragg Street, 624 W. Jones Street, 806/810 Jones Street, Fox Haven, The Magnolias, Lennox Chase, Elder's Peak, Hope Crest, Holmes Street/Shades Point Town Homes, Windsor Spring, Village of New Hope, Perry Hill, Waterbrook, Salisbury, Autumn Spring, Brookridge and Meadow Creek Commons. HUD requires that all projects with 1 to 4 units be monitored at least every three years, projects with 5 to 25 units be monitored every two years, and projects of 26 or more units every year. Fox Haven, Magnolias, Elder's Peak, Windsor Spring, Village of New Hope, Perry Hill, Salisbury, Autumn Spring, Meadow Creek Commons, Waterbrook, and Water Garden Village will have extensive monitoring again this year since they all have more than 26 units. The other units will be subjected to a more basic yearly inspection since they have less than 26 units. All these units are scheduled to be inspected according to HUD regulations. Beginning in January 2015 the monitoring requirements of the Final Home Rule of July 2013 will replace those listed above. The City will develop the new monitoring schedule and standards from the HOME rule during the first half of the fiscal year. Please see Appendix A for monitoring schedules.

All HOME units must meet the Housing Quality Standards. A minimum of one apartment per building will be inspected during the monitoring or 10% of the total units (whichever is greater). All tenants in these complexes are required to make less than 60% of Median Income and have rents below HUD's established High HOME Rents. 20% of the units must be rented to families or individuals making less than 50% of Median Income with rents at or below HUD's Low HOME Rents. The City works with HOME recipients to fulfill the requirements of HOME mandated Affirmative Marketing Procedures. Beginning in January 2015 the physical monitoring requirements of the Final Home Rule of July 2013 will replace those listed above. The City will develop the new monitoring schedule and standards from the HOME rule during the first half of the fiscal year. Continued emphasis will be placed on compliance with environmental assessments, Davis-Bacon reporting and Section 3 compliance.

SPECIFIC CDBG REQUIREMENTS

FLOAT FUNDED ACTIVITIES

The City does not anticipate carrying out any float funded activities or activities having an urgent need.

LOCATIONS OF ASSISTANCE

The City anticipates that CDBG activities will take place throughout the City, with emphasis on low-income census tracts. The City has included its selection criteria for its housing rehabilitation program in the appendix. HOME funds are available citywide.

CONTINGENCY

The City does not anticipate any contingency cost overruns.

ADDRESSING SLUMS AND BLIGHT

The City may undertake activities such as acquisition, rehabilitation, demolition, disposition that can help prevent or eliminate slums and blight.

URGENT NEEDS

The City does not project any urgent need activities in FY 2014-15.

APPENDIX A

CERTIFICATIONS AND CITY POLICIES

Certifications and SF 424s

AFFIRMATIVE FAIR HOUSING MARKETING PLAN CITY OF RALEIGH

Purpose

The Affirmative Fair Housing Marketing Plan (AFHM Plan) is a marketing strategy applied to all CDBG-, HOME-, and local Affordable Housing Bond fund-assisted projects anywhere within the City of Raleigh. The AFHM Plan is designed to attract income eligible buyers or renters regardless of race, color, religion, national origin, sex, handicap, or familial status.

The AFHM Plan supports the City's commitment to nondiscrimination and equal opportunity in housing and complies with Title VII of the Civil Rights Act of 1968, Executive Order 11063, the Americans with Disabilities Act of 1990, and the City of Raleigh's Fair Housing Ordinance. The purpose of the AFHM Plan is to affirmatively implement the spirit of the legislation / executive order / ordinance identified above.

AFHM Plan: Objectives

The AFHM Plan is intended to achieve the following measurable objectives:

1. **Targeting:** Proactive identification of segments of the eligible population least likely to apply for housing without special outreach efforts.
2. **Outreach:** Implementation of an outreach strategy of special measures designed to attract those groups identified above and other efforts designed to attract persons from the total eligible population.
 - a. Employ **Communication Methods** most likely to inform and attract the populations identified, such as:
 - i. Short, informative presentations on available units at CAC and neighborhood organization meetings where reader-friendly flyers are distributed.
 - ii. Simple marketing materials on available units distributed to organizations that serve low-income households, the homeless, and the mentally and physically disabled.
 - iii. A web site that displays units / cost. Set up links to this site on web sites of organizations serving the groups identified in 2.a.ii.
 - iv. Open house events on Saturdays advertised with signs in the surrounding area and in the flyers handed out at CAC, neighborhood, and other community meetings.
3. **Indicators:** Develop and track measurable indicators to quantify the success of the marketing plan, the results of which will be monitored by CD.

AFHM Plan: Policies and Procedures

The City of Raleigh and/or its agent will make a good faith effort to achieve the objectives identified above. The City of Raleigh AFHM Plan includes the following affirmative marketing requirements and procedures.

1. The City of Raleigh Community Development Department and/or its agent will use the Fair Housing logo on all publications and informational materials distributed to the public.
2. The City will require all Community Housing Development Organizations (CHDO's), developers, agents, and owners participating in CDBG-, HOME-, or Bond-assisted programs to display the Fair Housing logo on all publications and on information pertaining to their services.
3. The City will require all CDBG-, HOME-, or Bond-assisted CHDO's, developers, agents, and owners to maintain records that describe the efforts taken to affirmatively achieve the AFHM Plan objectives and compile the quantifiable results of such efforts in an annual report available for public review. These requirements will apply equally to the Community Development Department's own CDBG-, HOME, and Bond-assisted housing programs.
4. The City will, at a minimum, advertise the availability of Community Development-owned units for rent or sale in local publications targeting eligible least-likely-applicants and eligible applicants generally.
5. The City will require all CHDO's, developers, agents, and owners to complete a specific Affirmative Fair Housing Marketing Plan for all CDBG-, HOME-, or Bond-assisted projects of five or more units. This Plan must be approved in writing by the City of Raleigh's Community Development Department prior to CD commitment of funds and kept on file.
6. The City will review annually the required documented efforts made by CHDO's, developers, agents, and owners to affirmatively market their CDBG-, HOME-, and Bond-assisted projects.
7. The City of Raleigh Affirmative Fair Housing Marketing Plan will be attached as an addendum to all CDBG-, HOME-, and Bond-assisted housing program contracts the City enters into with CHDO's, developers, agents, and owners.
8. The City will examine annually the results of efforts made by CHDO's, developers, agents, and owners of CDBG-, HOME-, and Bond-assisted projects of five or more units. The items reviewed will include the following, which should be displayed and explained in an easy-to-read format:
 - a. Occupancy and waiting list information.
 - b. Community outreach efforts (meetings, presentations, etc.)
 - c. Marketing activities designed to attract least-likely applicants.

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- d. Marketing brochures and advertisements and methods of distribution.
- e. Use of commercial media including print; advertisements and announcements on radio and television; creative use of the internet.
- f. Measurable outcomes and assessment of results relative to the AFHM Plan objectives.

ENSURING AFFORDABILITY FOR LMI HOMEBUYERS USING HOME FUNDS - RECAPTURE PROVISIONS

While generally using City Affordable Housing Bond funds to provide LMI homebuyer subsidies, CD may use HOME funds to provide direct HOME subsidy to LMI homebuyers. CD will not use subrecipients, urban counties, CHDOs, or consortium members to make these direct HOME subsidies. CD will use only one set of provisions for its programs. The City will use deed restrictions to enforce the recapture provisions of the Home program found at 24 CFR 92.253(a)(5)(ii). While attempting to recover 100% of the HOME direct subsidy costs, CD will use a pro-rata reduction over time in order to share net proceeds with homebuyers who sell their property within the affordability period. Net proceeds will be shared between CD and the homeowner whether the net proceeds are sufficient or insufficient to cover the HOME direct subsidy amount. In any case CD will limit the amount to be recaptured to the net proceeds available from the sale of the property.

Definitions:

Direct HOME subsidy is the amount of HOME assistance, including any program income that enables the homebuyer to buy the unit. The direct subsidy includes HOME funds used for downpayment, closing costs, interest subsidies, or other HOME assistance provided directly to the homebuyer. In addition, direct subsidy includes any assistance that reduced the purchase price from fair market value to an affordable price. If HOME funds are used for the cost of developing the unit purchased and the unit is sold below fair market value the difference between fair market value and the purchase price will be added to the HOME subsidy amount.

Net Proceeds are defined as the sales price minus superior loan repayment (other than HOME funds) and any closing costs. Under no circumstances can CD recapture more than is available from the net proceeds of the sale.

HOME-assisted housing must meet the affordability requirements for not less than the applicable period specified in the following table, beginning after project completion.

Homeownership Assistance HOME amount per unit	Minimum period of affordability in years
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15

NORTH CAROLINA

WAKE COUNTY

DECLARATION OF DEED RESTRICTIONS

THIS DECLARATION OF DEED RESTRICTIONS (this “Declaration”), made and entered into as of _____, 2011 by and between _____ a North Carolina limited liability company, (the “Owner”) and the CITY OF RALEIGH, a body corporate and politic located in the State of North Carolina (the “Lender”);

WITNESSETH:

In consideration of the mutual covenants and understandings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Owner and the Lender hereby agree as follows:

Section 1. Definitions and Interpretation. The following terms shall have the respective meanings set forth below:

“Deed of Trust” means the mortgage or deed of trust that secures the Mortgage Loan and constitutes a lien on a fee simple interest in the Development and Land.

“Development” means the residential housing unit(s) to be acquired, constructed or rehabilitated with the proceeds of the Mortgage Loan and to be located on the Land.

“Land” means the real property described in Exhibit A attached hereto.

“Mortgage Loan” means the loan made to the Owner by the Lender to finance the acquisition, construction or rehabilitation of the Development.

“Note” means the instrument that contains the promise of the Owner to pay the sum of money stated herein at the time stated therein and that evidences the obligation of the Owner to repay the Mortgage Loan.

“Period of Affordability” means the period beginning on (i) the day on which the Project is acquired by Owner where no Mortgage Loan funds are earmarked for construction or rehabilitation, or (ii) the date of Project completion (as evidenced by a “Certificate of Compliance” issued by the appropriate governmental authority) where all or a portion of the Mortgage Loan funds are earmarked for construction or rehabilitation (the “Commencement Date”) and ending on the date that is _____ years after the Commencement Date.

“Regulations” means the rules and regulations promulgated by the Department of Housing and Urban Development in 24 CFR Part 92.

“State” means the State of North Carolina.

Unless the context clearly requires otherwise, as used in this Agreement, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

Section 2. Residential Property. The Developer hereby represents, covenants, warrants and agrees that:

- (a) The Development will be acquired, constructed or rehabilitated for the purpose of providing “affordable rental housing” as prescribed in 24 CFR Part 92.252. As required in this regulation, the specific rent and income restrictions for this project will be as follows for the entire period of affordability.

The maximum incomes of the tenant households shall be restricted as follows:

_____ % of tenant households at 50% Area Median Income and
_____ % of tenant households at 60% Area Median Income

The maximum rents for the project shall be restricted as follows:

_____ % of rents at or below the HUD defined Low HOME Rents and
_____ % of rents at or below the HUD defined High HOME Rents

- (b) And that, subject to the provisions of Section 4 below, the Project shall continue as affordable housing for the full Period of Affordability.

Section 3. Covenants to Run With the Land. The covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and, except as provided in Section 4 hereof, shall pass to and be binding upon the Owner’s heirs, assigns and successors in title to the Land or the Development; provided, however, that upon the Owner’s heirs, assigns and successors in title to the Land or the Development; provided , however, that upon the termination of this Agreement in accordance with the terms hereof said covenant, reservations and restrictions shall expire. Except as provided in Section 4 hereof, each and every contract, deed or other instrument hereafter executed covering or conveying the Land or the Development or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants,

reservations and restrictions regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Developments are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Development.

Section 4. Term. This Agreement shall remain in full force and effect until the expiration of the Period of Affordability provided, however, that this Agreement shall automatically terminate in the event of foreclosure or transfer of title by deed in lieu of foreclosure. In the case of foreclosure or transfer of title by deed in lieu of foreclosure or similar event, such termination will cease to be in effect if, at any time during the remainder of the Period of Affordability, the Owner of record immediately prior to the foreclosure or deed in lieu of foreclosure, or any newly formed entity that includes such former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Development or the Land.

Section 5. Correction of Noncompliance. The failure of the Owner to comply with any of the provisions of Section 2 of this Agreement shall not be deemed a default hereunder unless such failure has not been corrected within a period of 60 days following the date that any of the parties hereto learned of such failure or should have learned of such failure by the exercise of reasonable diligence.

Section 6. Remedies; Enforceability. If a violation of any of the provisions hereof occurs or is attempted, the Lender and its successors and assigns may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation, to compel specific performance hereunder, or to recover monetary damages caused by such violation or attempted violation. The provisions hereof are imposed upon and made applicable to the Land and shall run with the Land and shall be enforceable against the Owner or any other person or entity that has or had an ownership interest in the Development at the time of such violation or attempted violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violations hereof at any later time or times.

Section 7. Filing. This Agreement shall be duly recorded in the Office of the Register of Deeds for the county in which the Land is located within ten days following its execution.

Section 8. Governing Law. This Agreement shall be governed by the laws of the State.

Section 9. Amendments. Except as provided in Section 4, this Agreement shall not be amended, revised, or terminated except by a written instrument, executed by the parties hereto or their successors in title, and duly recorded in the Office of the Register of Deeds for the county in which the Land is located.

CITY OF RALEIGH, NORTH CAROLINA 2014-15 ACTION PLAN

Section 10. Notice. Any notice required to be given hereunder shall be given by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

Lender: **City of Raleigh**
310 West Martin Street
Raleigh, North Carolina
Attn: Community Development Director

Owner: _____

Notice shall be deemed given on the third business day after the date of mailing.

Section 11. Severability. If any provision hereof shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 12. Multiple Counterparts. This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

IN WITNESS WHEREOF, _____ the Lender and the Owner have executed this Agreement by duly authorized representatives, all on the date first written herein above.

BORROWER:

By: _____

By: _____

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, a Notary Public of the County and State aforesaid, certify that _____ personally appeared before me this day and acknowledged that she is _____ Secretary of _____, a North Carolina corporation, manager of _____, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by _____ as its _____ Secretary. Witness my hand and official stamp or seal, this _____ day of _____, 2011.

My Commission Expires:

NORTH CAROLINA – WAKE COUNTY

The foregoing certificate ____ of _____

Notar(y)(ies) Public is (are) certified to be correct. This instrument and this certificate are duly registered at the date and time and in the book and page shown on the first page hereof.

LAURA M. RIDDICK, Register of Deeds

By _____
Asst./Deputy Register of Deeds

EXHIBIT A

Legal Description

Tenant Selection and Management Agreement

Property Address:

Borrower:

In consideration for a reduced rate loan in the amount of \$_____ provided by The City of Raleigh in its efforts to create decent, affordable housing for low- and moderate-income families, the undersigned hereby agrees to:

- 1) Not discriminate against any tenants or applicants on the basis of race, religion, or familial status.
- 2) Practice affirmative marketing to the extent of advertising vacancies such that groups, which are under represented within the subject neighborhood, are aware of vacancies.
- 3) Give a one (1) year lease to all tenants, wherein the tenant(s) agree to provide the landlord with income verification (copy of the tax returns) from all sources for each member of the household who is at least 18 years of age. This income must be re-verified at each annual renewal. If, at any lease renewal, it is determined that tenant's annual income exceeds 80% of the median income for the Raleigh Durham MSA, the lease will not be renewed and tenant must vacate the premises within 90 days. *The income verification requirement will be presumed satisfied if you have documents showing that the tenant is being assisted through a certificate from The Raleigh Housing Authority.*
- 4) For all units set a maximum first year rent as indicated on Table 1. For subsequent years, to keep the rents affordable to families at 60% of median income. The City of Raleigh Community Development Department will publish maximum affordable rents annually. **If the property has more than four (4) units, then 20% of the units must rent for no more than the rents stated in the lower portion of Table 1, attached.**
- 5) Allow the City of Raleigh employees or representatives to audit the subject tenant files to verify the leases and compliance with the above requirements. The monitoring schedule for this particular property is:
 - ___ Every 3rd Year (4 or fewer units)
 - ___ Every 2nd Year (5 thru 25 units)
 - ___ Every Year (more than 25 units)
 - ___ First Year Monitoring of Tenants (\$CDBG)

***Next Monitoring for this
Property will be on or before:***

Maximum Rent **proposed** for the First Year after completion:

Unit	Type	Rent	Unit	Type	Rent
_____	BR	\$ _____	_____	_____	_____
_____	BR	\$ _____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

The Total Sources and Uses of Funds for this project is as follows:

Acquisition	\$0
Hard Construction Cost	\$0
Closing/Soft Cost	\$0
Total Cost (Uses)	\$0

Private Lender	\$0
City Loan:	
HOME	\$0
CDBG	\$0
Bond	\$0
Other	\$0
Borrower Equity	\$0
Total Sources	\$0

Layering Calculations

Total Home \$ Per Unit -0-

Total CDBG \$ Per Unit \$0
 See HUD Underwriting Sheet for
 Maximums.

Notes

If you are currently under construction, please sign your acceptance of this agreement and provide rental and income information upon completion and lease-up. A Form is attached.

The undersigned agrees that the property will remain under this indenture for a minimum period of:

- ☐ 5 Years if HOME \$ are less than \$15,000 per unit
☐ 10 Years if HOME \$ are \$15,000 to \$40,000 per unit
☐ 15 Years if there is Refinancing or greater than \$40,000 per unit
☐ 20 Years if New Construction
☐ By other Agreement (No HOME\$) The Affordability Period is to be 5 Years.

Should the property be sold and the new owner not agree to assume the terms of this indenture, then the holder of the note shall be due additional interest such that the yield from closing to payoff shall be at a rate of **7.5%**.

Nothing in this agreement shall preclude the undersigned from managing the property in a prudent fashion, including the denial of tenancy due to poor credit, lack of sufficient income to pay the rent, a criminal history or a history of destructive tenancy.

Accepted: _____
 (Borrower)

Date: _____

Date: _____

(Borrower)

Date: _____

INSTRUCTIONS

1. A copy of each signed lease must be provided to the City in a timely manner. Each lease must require that:
 - a) tenant provides the signed page of their Federal Income Tax Return. If the tenant cannot provide a tax return, they must sign an affidavit that a return is not available and they must give you an estimate of income. A sample affidavit is attached to this form.
 - b) Income should be listed from all sources of each member of the household who is at least 18 years of age.
 - c) a blank for total estimated household income must be included in the lease.
2. The following information must also be provided per HUD monitoring requirements, as an attachment:

Head of Household _____
Male _____ Female _____
Race _____ Number in Household _____
Is this unit under a voucher or section 8 certificate? _____
3. For purposes of auditing affordability the City will use **Adjusted Gross Income** from the tenant's tax return(s).

I certify that the above information is correct to the best of my knowledge as of this date. I am the _____ Owner or _____ Manager of these units.

Signed _____ Date _____

CITY OF RALEIGH, NORTH CAROLINA 2014-15 ACTION PLAN

Below are listed the City of Raleigh maximum rent which is allowed where a project is City assisted.

Table 1

City of Raleigh Affordable Rents, also known as High HOME Rents

Below the High HOME Rents are the Low HOME Rents

Calculation of Affordable Rents

HOME Rent Limits 2014

	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR
Low HOME rent	\$654	\$750	\$856	\$1,038	\$1,158	\$1,278

High HOME rent	\$654	\$753	\$856	\$1,108	\$1,377	\$1,581
Fair Market Rent	\$618	\$722	\$856	\$1,108	\$1,377	\$1,584

Utility allowances must be determined for each individual apartment or identical apartments in a project.

Tenant Income Affidavit

I _____ was made to understand through my lease that my apartment is within a complex assisted by the U.S. Department of HUD and that as consideration for that assistance, the owner has agreed to charge certain maximum rents and to lease to tenants who are income qualified. You have requested that I produce a copy of the signed page of my Federal Income Tax Return. I am unable to do this due to:

___ I am not required to file a return.

___ I have lost my return or it is otherwise unavailable.

I certify that for the year ending December 31 prior to the date of this affidavit, that the total income for all persons on the lease of the unit described below was \$_____.

Address: _____

Signed: _____ Date: _____

THE CITY OF RALEIGH SCATTERED SITE POLICY

GUIDE TO LOCATIONS FOR ASSISTED HOUSING

(5/3/2005)

Purpose Statement

The purpose of the Scattered Site Policy is to guide the distribution and location of assisted rental housing in the City of Raleigh. – This policy is aimed at the following objectives.

1. To promote greater rental housing choice and opportunities for low income households;
2. To avoid undue concentrations of assisted rental housing in minority and low-income neighborhoods; and
3. To further community revitalization efforts by encouraging the rehabilitation of older housing.

Definition of Terms

Definition of Low Income: Individual or family making 60% or less of the Wake County MSA median income, adjusted for family size.¹

Definition of Moderate Income: Individual or family making between 61% and 80% of the Wake County MSA median income.

Definition of Assisted Housing: Assisted housing is defined as any housing development receiving any public financial assistance, including federal, state, city and county financing. Examples are HOME funded developments, HOPE VI, or projects developed with federal or state low income housing tax credits and tax exempt bond funded projects without tax credits.

The Policy recommends distribution of assisted rental units based on geographical priority using the following criteria.

1. First Priority Areas: Includes areas which are continuing to experience growth in population and housing units, provides proximity to retail and office development, and have relatively low percentages of minority populations and low-income residents.

The following Census Tracts are First Priority Areas:

Census Tracts: 536, 537.03, 537.09, 537.10, 537.11, 537.12, 537.13, 537.14, 525.03, 525.04, 524.01, 524.04, 514, 515.01, 515.02, 516, 517, 526.01, 526.02, 537.15, 537.07, 537.06, 538.02, 540.07, 540.03, 542.01, 542.02, 530.02

2. Second Priority Areas: Includes those areas which meet some of the criteria

¹ For example, in 2005 the income levels for families/individuals at or below 60% of median income are as follows:

Median income: \$69,800

1 person	2 person	3 person	4 person	5 person	6 person
\$29,940	\$34,200,	\$38,520	\$42,780	\$46,200	\$49,620

as First Priority areas but are considered to be racially mixed. These tracts are not predominantly low-income. Racially mixed areas are census tracts that have a minority population level more than 23% and less than 60%. Assisted housing developments in areas that are racially mixed will be limited.

The following census tracts are Second Priority Areas:

Census Tracts: 501, 503, 504, 505, 510, 512, 518, 522.01, 522.02, 523.01, 523.02, 524.02, 524.05, 525.01, 526.03, 527.01, 527.03, 527.05, 528.02, 528.03, 528.04, 535.01, 535.10, 537.16, 540.01, 540.04, 540.06, 540.09, 540.10, 541.02, 541.04, 541.05, 541.06

3. Special Objective Areas (Third Priority Areas): Are redevelopment areas and special objectives areas where the goals are the revitalization of older neighborhoods and to provide replacement housing to community residents. Projects located in Third Priority Areas must be done in conformance with the goals and objectives of redevelopment plans adopted for the area. Redevelopment Areas are: Thompson-Hunter, Stages I and II, Downtown East, College Park, Garner Road, South Park, New-Bern Edenton and Jamaica Drive. Special Objective Areas are older public housing demolition and redevelopment projects funded with HOPE VI and other funds for the improvement and deconcentration of public housing developments. Upon adoption of any new redevelopment plan or Special Objective Areas, these areas will become Third Priority Areas and incorporated into the Scattered-Site Policy.

4. Fourth Priority Areas: Are census tract areas that minority concentrated and low-income. Minority concentrated areas are those census tracts that, according to the latest Census information available, have concentrations of minority population greater than 60%. Low-income areas are those census tracts that have more than a 50% concentration of population earning less than 60% of median income based on most recent Census information available. Assisted housing developments in these areas are not permitted.

The following census tracts are minority concentrated and low-income and will be Priority IV areas.

Census Tracts: 506, 507, 508, 509, 511, 519, 520.01, 520.02; 521.01, 527.04, 540.08

Applicability of Policy

This policy shall apply to all assisted housing projects within the city limits of Raleigh, or in the extraterritorial jurisdiction when the proposed housing development will use City utilities and/or be annexed.

Size Limitation for New Construction Projects

Assisted family developments will be limited to 50 units per site in all Priority areas. An exception will be made in Priority I and II areas for developments of up to 80 units per site where there is a full time on-site manager.

Elderly Projects

Elderly projects will be exempt from the unit size and scattered site location criteria. Elderly housing will be defined as housing if a dwelling is specifically designed for and occupied by elderly persons under a Federal, State or local government program or it is occupied solely by persons who are 62 or older or it houses at least one person who is 55 or older in at least 80% of the occupied units, and adheres to a policy that demonstrates intent to house persons who are 55 or older.

Assisted Housing Proposals in Priority III Redevelopment Areas and Special Objective Areas

Assisted Housing Proposals in Priority III areas have been exempted from the scattered-site policy and the housing evaluation criteria. Any proposal for new construction must be done in conformance with the approved redevelopment plans for the area.

Size Limitation for Rehabilitation Projects

Assisted housing projects rehabilitated with moderate or substantial rehabilitation funds from federal, state or local funds will be limited to **100 units per site**. It is intended that this size limitation will not apply to the following rehabilitation projects:

- A. Projects exclusively serving elderly and/or disabled households.
- B. Existing projects which are publicly owned or managed or are assisted by other public subsidies.
- C. Projects located in redevelopment areas where the goal is to preserve and upgrade older, inner-city communities.
- D. Rehabilitation of units in projects in Priority I and II areas if a full time manager is employed on site

Assisted Housing Ranking Criteria:

The following criteria will be used to evaluate assisted housing proposals. If there are competing proposals, then the projects will be ranked and compared. If there are not competing proposals, then the sole proposal will be ranked. In either case the following rankings will be used. (1) Most desirable; (2) Acceptable; and (3) Unacceptable. Criteria to rank proposals will include the following:

- | | | |
|----|--|--------------|
| 1. | <u>Location of Existing Assisted Units:</u> | <u>Score</u> |
| | Federally assisted Housing projects (exclusive of redevelopment areas) | |
| | Within ½ mile of another project | (1) |
| | No projects within ½ mile radius | (3) |
| | No projects within ¾ mile radius | (5) |
| 2. | <u>Transportation</u> | |
| | No transportation services (CAT bus, CAT connector) or other transit line within one-mile radius | (1) |
| | Transportation services within ½ mile | (3) |
| | Transportation services within three walking blocks to site | (5) |
| 3. | <u>Priority Areas:</u> | |
| | Location in Priority II Areas | (3) |
| | Location in Priority I Areas | (5) |
| 4. | <u>Zoning:</u> | |
| | Proposed site will necessitate rezoning for developing project | (3) |
| | Site is appropriately zoned for intended use | (5) |
| 5. | <u>Management</u> | |

CITY OF RALEIGH, NORTH CAROLINA 2014-15 ACTION PLAN

- Project proposal makes no plans for on-site management (1)
- Part-time manager on site less than 2 days per week (3)
- On-site manager minimum of 5 days per week (5)

6. Project Design and Appearance

- Proposal lacks architectural appeal and landscaping (1)

- Proposal incorporates some architectural appeal and landscaping but proposed units are not comparable to size and quality of market rate units in the community (3)

- The building design and use are compatible with the surrounding community and incorporates a high degree of architectural appeal and landscaping. The proposal is of comparable size and quality of market rate units. (5)

A score of 25-30 or more points would make a proposal MOST DESIRABLE. Proposals receiving less than 25 points would receive an ACCEPTABLE ranking; except that proposals receiving three (1) rankings would be undesirable and would not be approved by the City.

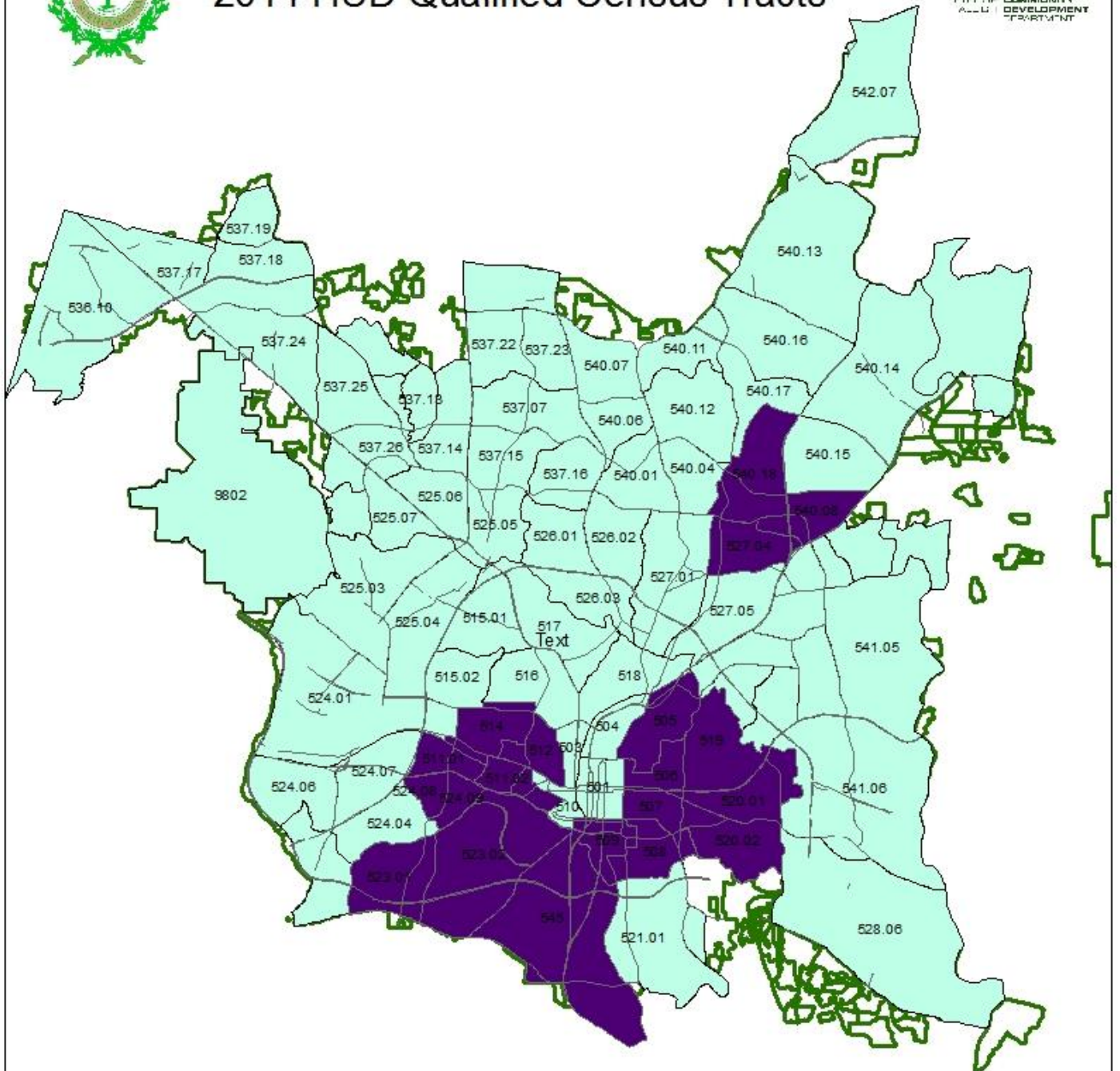
Adopted: May 3, 2005

APPENDIX B

MAPS



2014 HUD Qualified Census Tracts



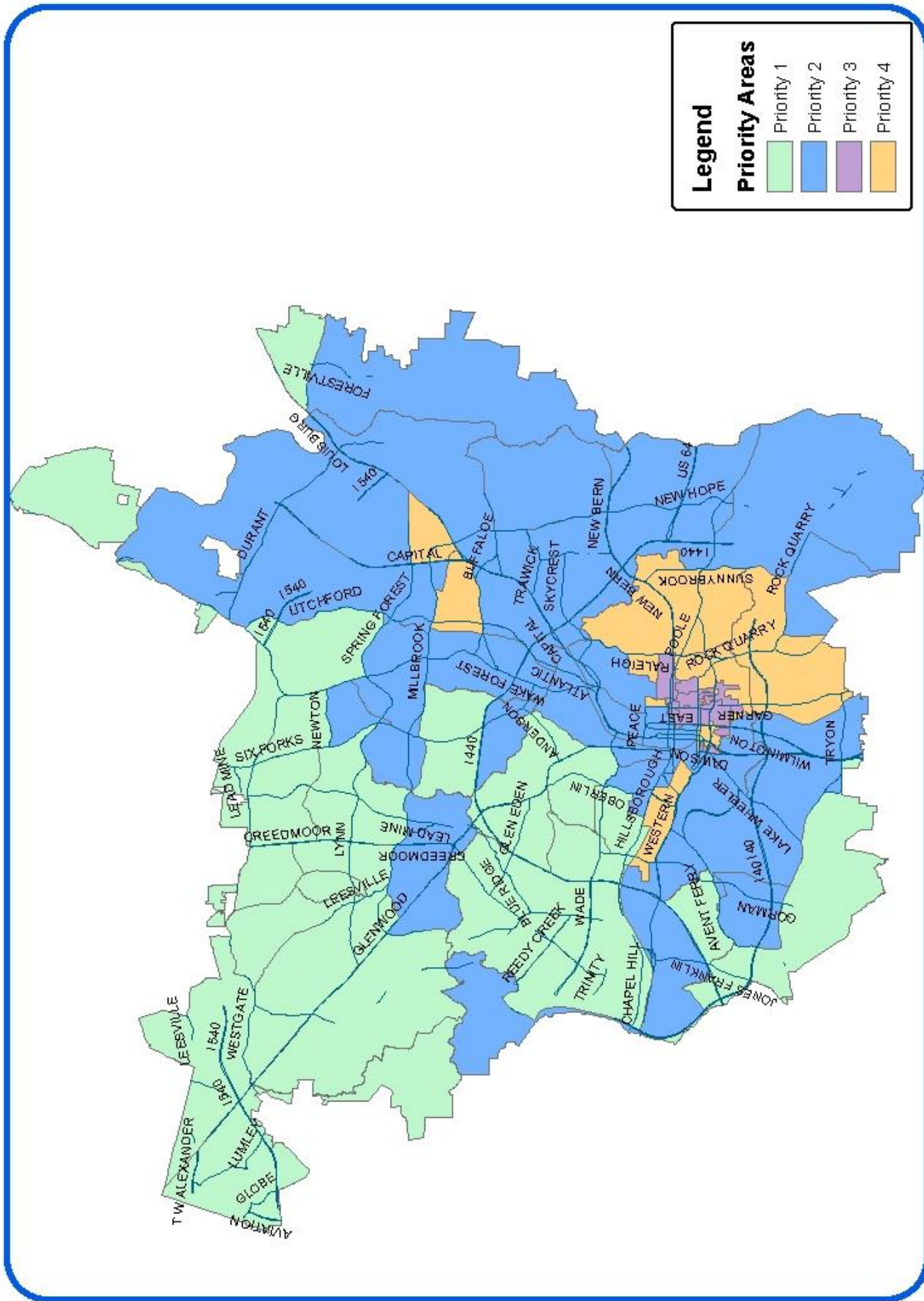
Legend

- HUD Qualified Census Tracts
- 2010 Census Tracts
- Raleigh City Limits

2 1 0 2 Miles

Information depicted herein is for reference purposes only and is compiled from the best available resources by the Community Development Department. The City of Raleigh assumes no responsibility for errors arising from the misuse of this map.





Legend

Priority Areas

- Priority 1
- Priority 2
- Priority 3
- Priority 4

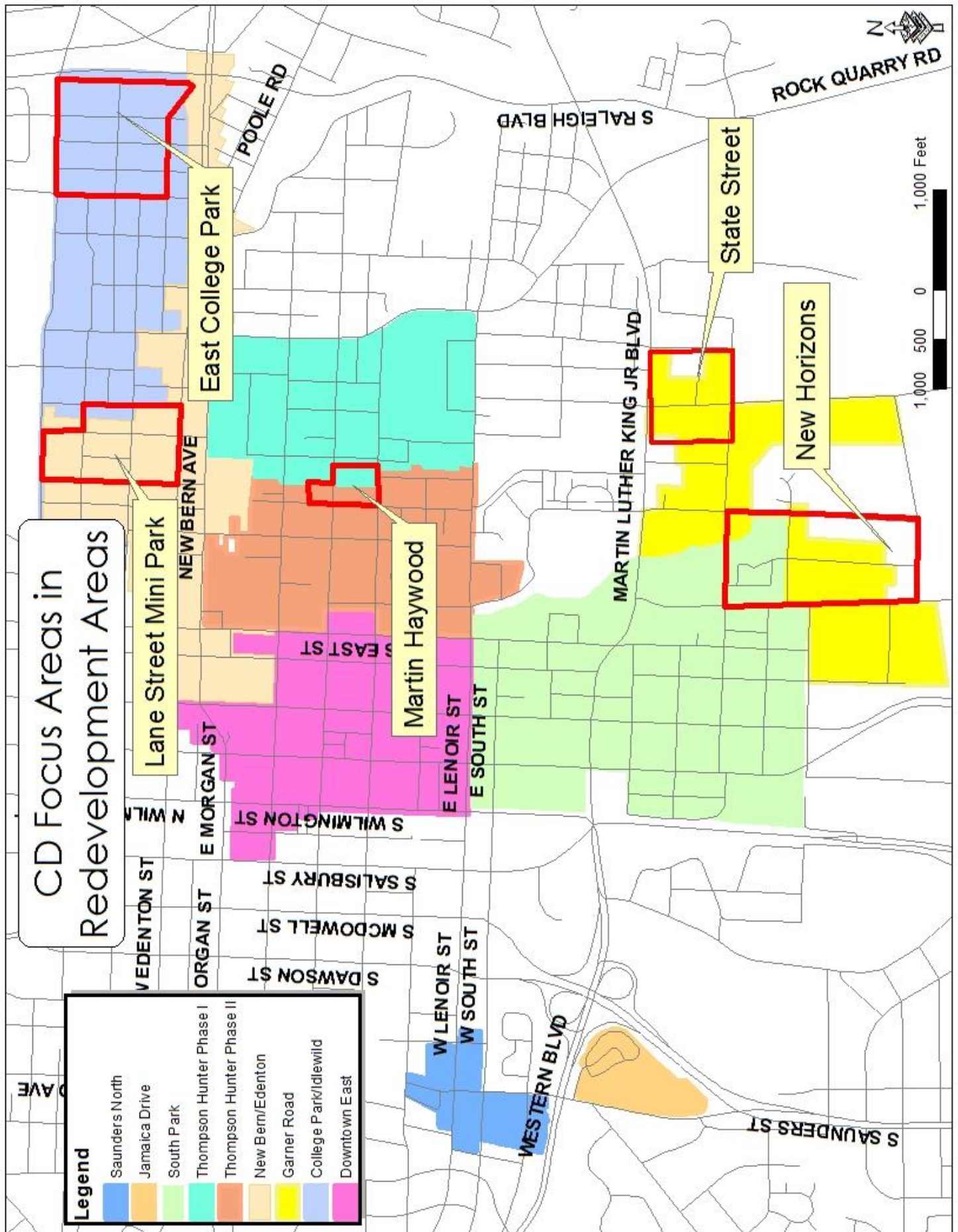


Information depicted herein is for reference purposes only and is compiled from the best available resources. The City of Raleigh assumes no responsibility for errors arising from the use of this map.



CITY OF RALEIGH SCATTERED SITE PRIORITY AREAS





APPENDIX C

CITIZEN COMMENTS

APPENDIX D

PUBLIC NOTICES